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"PROMPT PAYING PREFERRED," a phrase coined long ago, is a slogan by which this Company is known widely among Agents, Brokers and Policyholders alike.

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underwriting, both in the field and home office, and prompt settlement of claims has assured this growth.

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HOME OFFICE, 80 MAIDEN LANE, NEW YORK, N. Y.

EDWIN B. ACKERMAN, *President*

AUTO ACCIDENT BURGLARY PLATE GLASS LIABILITY

THURSDAY, APRIL 16, 1942

Building America! THE TELEPHONE

On March 10, 1876, the first intelligible sentence was heard over a telephone. Significantly, perhaps, it was an emergency call for assistance: "Come here, Mr. Watson; I want you." The speaker was Alexander Graham Bell, calling to his assistant in an adjoining room during the course of an experiment.

After fourteen months of public apathy toward an invention destined to exert a tremendous force in building America, the first telephones were put into use on a commercial basis. Today nearly 450,000 individuals service some 23,500,000 telephones in the United States (over half the telephones in use throughout the world) which require over 100,000,000 miles of wire and carry a daily average of 105,000,000 calls.

Great indeed has been the part played by telephone communication—and by its ally, radio—in the building of America. And even greater is the task upon which it now enters as America joins with those who are building for liberty and justice.



T. A. Watson with the first working model of the telephone and Alexander Graham Bell, the inventor. Both photographs taken late in life.



Protecting America!

In protecting America the telephone and radio span the distance between the United Nations. And in protecting America insurance spans the gap between possible loss and positive security—provides a bridge from present plans to future accomplishment—creates a defense program to safeguard invested capital and earning capacity. In the application of that program the Royal-Liverpool Groups make freely available to their representatives a wealth of educational, underwriting and production facilities. May we tell you about them?

ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

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FINANCIAL STATEMENTS DECEMBER 31, 1941

AS FILED WITH THE NEW YORK STATE INSURANCE DEPARTMENT

Companies	Capital	Total Admitted Assets	Liabilities (except Capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$9,397,690.	\$35,625,425.	\$20,173,308.	\$15,452,117.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	5,220,891.	2,716,201.	2,504,690.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	4,544,944.	2,209,920.	2,335,024.
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	1,000,000.	4,838,119.	2,215,910.	2,622,209.
Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>	2,000,000.	12,153,230.	5,991,301.	6,161,929.
Royal Plate Glass and General Ins. Co. of Canada <small>Organized 1906</small>	100,000.	301,696.	—	301,696.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	11,413,209.	9,085,698.	2,327,511.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	11,541,668.	8,880,997.	2,660,671.

Pittsburgh Underwriters - Keystone Underwriters

PACIFIC DEPARTMENT
San Francisco, Calif.HOME OFFICE
Newark, New JerseyWESTERN DEPARTMENT
Chicago, IllinoisSOUTHWESTERN DEPARTMENT
Dallas, TexasFOREIGN DEPARTMENT
New York, New YorkCANADIAN DEPARTMENTS
Toronto, Ontario • Vancouver, B. C.

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OUR 25TH YEAR OF CONSCIENTIOUS SERVICE TO LOCAL AGENTS



—REPRESENTING—

American Central Insurance Company
Yorkshire Insurance Company
Newark Fire Insurance Company

Standard Insurance Company of New York
Seaboard Fire & Marine Insurance Company
Eagle Star Insurance Company

Caledonian Insurance Company
Northern Insurance Company of New York
London and Provincial Insurance Company

Northwestern National Insurance Company
Allemania Fire Insurance Company of Pittsburgh
Western Assurance Company of Canada

SOUTHERN DEPARTMENT
Atlanta, Georgia

A. H. TURNER
MANAGER

F. M. KINNETT, Assistant Manager

E. F. Edwards, Agency Superintendent

P. O. Lewis, Agency Superintendent

PLANTED in the HEART of the SOUTH in 1917

The NATIONAL UNDERWRITER

Forty-sixth Year—No. 16

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, APRIL 16, 1942

\$4.00 Year, 20 Cents a Copy

Huge Loss in Spectacular Fire at Kewanee, Ill.

Insurance Cost of Blaze In Business District \$1,250,000; Other Losses

A disastrous fire swept through the downtown section of Kewanee, Ill., Monday, and did property damage estimated at \$2,000,000. The estimated insurance loss is \$1,250,000.

The adjusters were delayed in determining the specific liability on various properties because four of the agencies in the city were burned out. These were Bennison & Dean, T. J. Dunn, Anderson & Robison and I. D. McDowell. The agencies were destroyed along with their records. Adjusters were checking with western offices of the companies in Chicago to secure copies of dailies.

The fire, the most extensive in the history of the city, which has a population of 17,000, apparently started on the first floor of the Kewanee Dry Goods Company store, following an explosion. Two entire square blocks in the heart of the downtown business district were practically destroyed. In addition, of course, there were extensive partial losses, and substantial smoke and water damage. The downtown section looked as if it had undergone a heavy aerial bombardment.

Richmond, Ind., Loss

At Richmond, Ind., fire Sunday caused \$300,000 insurance loss. The blaze started in the J. C. Penney Company store where the loss was more than \$75,000. The Odd Fellows Hall, which contained the offices of the Jenkins Brothers Agency, was badly damaged. The agency, operated by Atwood L. Jenkins and his brother, A. Will Jenkins, suffered severe damage.

There was approximately \$88,000 of insurance on the Odd Fellows' building, and loss is estimated at 100 percent. In addition there was \$15,000 in rent cover, on which the loss is estimated at about 66 2/3 percent, and \$4,000 of furniture and fixture coverage, with an approximate 50 percent loss.

Other properties damaged, with insurance carried and estimated insurance losses are: Nussbaum store, \$64,000, total; Samuel F. Greenfield Co., \$10,000, total; Loehr & Klute, men's ready-to-wear store, \$18,000, total; building owned by the estate of Edna L. Moore, \$20,000, total; Nicholson & Bros., \$11,000, total, and Richmond Camera Shop, \$3,000 10 percent. The Hook Drug Store was badly damaged.

A fire in the business district of Janesville, Wis., caused an insurance loss of about \$250,000 on Monday. The fire started in the basement of the 2-story building occupied by the W. T. Grant Co. This building was completely destroyed, and along with that of the

Factory Mutuals Fight Tax Move

H. T. Freeman Is Principal Witness at Hearing in Washington

WASHINGTON—Appearing before the house ways and means committee to protest against the Treasury's proposed change in the tax basis for mutual companies, H. T. Freeman, president of Manufacturers Mutual Fire of Providence and chairman of the Associated Factory Mutuals, denied there was any disparity between the taxation of mutual and stock carriers as stated by Randolph Paul, Treasury tax adviser. Mr. Paul's suggestion, if enacted into law, would upset and reverse the course which Congress has consistently followed, he said, for the proposed basis would be contrary to the fundamental purpose of corporate income taxation which is a tax on profits.

Mr. Freeman declared that what the factory mutual companies receive from their policyholders is not a premium but a deposit, a fund out of which the insurance companies retain what is required to pay losses and expenses, the balance being returned to the policyholders after providing necessary reserves. He emphasized particularly that it is the policyholders' money just like a balance in a bank after deducting withdrawals, and that all funds in the possession of a factory mutual company belong to the policyholders and to no one else. He made the point also that the savings effected by the factory mutuals for their policyholders are reflected in the income tax statements of their policyholders since they reduce the cost of insurance—which is deductible as a business expense—and hence increase their taxable income.

Sees Definition Distorted

To tax companies such as the factory mutuals on the basis proposed by the Treasury on "the sum of their investment income and the additions to their surplus" is an attempt to tax something as profit which is not profit, Mr. Freeman declared. The Treasury's proposed basis seems unreasonable and unfair, he said.

"They propose that a portion of the investment income of the factory mutual companies be taxed twice. Even though that income may be derived from dividends on common and preferred stock which has already been taxed in the hands of the issuing corporation it will be taxed again to some extent at least to the recipient of returns of unabsorbed premium deposits from the factory mutuals," he said. "This double taxation of the factory

(CONTINUED ON PAGE 14)

Woolworth & Co. and one other, collapsed into the Rock River. The buildings were built on piles overhanging the river. Other Janesville concerns on Main street damaged extensively were the Tradehome Shoe Co., Dixie Shop, Kennedy Drug Store, C. W. Dube Jewelry Store, Red Cross Pharmacy, Reed's Drug Store and Merchants & Savings Bank building.

Next Move in Tex. Is That of State Department

What measures will be adopted to effect improvement in the commission situation in Texas which has become steadily worse for some months and has now reached a condition that compels action, is up to the insurance commissioners of the state, the severe anti-compact law of the state forbidding agreement by companies either as to commissions or rates. While the department has jurisdiction in rate-making, it is barred under an opinion of the attorney-general from ruling upon commissions.

With Texas enjoying an average loss ratio of about 40 percent for each of the past eight years, as compared with an earlier average ratio of 65 percent or thereabout, the desire of the companies to get as large a volume of business in the state as possible is easily understandable, and accounts for the high commissions now being paid.

The situation in Texas was discussed at the meeting of the National Association of Insurance Commissioners in New York last December, at which considerable criticism was voiced as to the extravagant commissions being allowed there. Then in February, Fire Commissioner Marvin Hall of Texas, spoke sharply upon the subject to a delegation of home state company officials who waited upon him in another matter. Mr. Hall apparently holding the local carriers primarily responsible for initiating excess commissions, and he declared that unless remedial measures were speedily taken he would order a blanket rate reduction of 20 percent and if that did not prove effective it would be followed with a further rate cut.

Move Up to Department

Despite this threat little or no improvement has yet been brought about, and the move is now clearly up to the insurance department. Within the past week Commissioner Hall held several conferences with A. R. Phillips, vice-president of Great American; George C. Long, Jr., president Phoenix of Hartford, and Otho E. Lane, president of Fire Association. He also talked with representatives of the general agents and the local representatives of the state, with a view to reaching an accord that would prove acceptable to all parties at interest, including the public. What the outcome of these separate sessions will prove to be remains to be seen.

Economically Texas is in about as favorable a position as any state, her great oil wells, cotton, wheat and fruit crops in addition to the cattle industry supplying a constant flow of cash, which in turn makes for general prosperity. The territory is an appealing one for insurers who earnestly hope an equitable plan will shortly be devised for dealing with the now intolerable commission situation.

An 8-year old boy told police he accidentally started the fire. He hid in the Grant store till it closed, and while lighting matches to see his way to the flashlight counter, set a waste basket afire.

War Topics Dominate Agents Mid-Year Gathering

Many Conferences Crowded Into New York Sessions of N.A.I.A.

By CHARLES M. CARTWRIGHT

NEW YORK—The mid-year meeting of the National Association of Insurance Agents got under way as a general body following strenuous conferences all day Sunday and Monday.

On Monday were the territorial conferences, joint meeting of state association officers and national councillors, the B. D. O. Advisory council and executive secretaries and managers of state bodies and local boards.

R. W. Forshay of Anita, Ia., was in fine trim at the opening session Tuesday morning. He referred to the patriotic impulses that are moving people today and said that the singing of "America" took on a new significance. At previous meetings, he said, ex-President W. B. Calhoun of Milwaukee, had been asked to lead the audience in singing the first verse of this hymn with F. F. Ludolph of San Antonio as accompanist. In view of the war conditions President Forshay said that the four verses of "America" would be sung on this occasion and he called the two musicians to their posts.

Memorial to E. J. Cole

The first feature of the program was the presentation of a memorial in tribute to E. J. Cole of Fall River, Mass., former president who died since the Kansas City convention, by W. Owen Wilson of Richmond, Va., also an ex-president.

President Forshay presented the report of the administration and did it in an impressive manner.

Bennett on War Damage

In his discussion of war damage insurance, Walter H. Bennett, general counsel N.A.I.A., emphasized that the present protection of property, until War Damage Corporation announces its plans and makes insurance available, is by no means clear. He read the pertinent section of the act, which states that damage to property by enemy action occurring between Dec. 6, 1941, and the date on which insurance becomes available "may" be compensated by War Damage Corporation to the same extent as though a policy were in effect. He said that some insurance executives have advised agents and the public that they are fully covered until an insurance plan is announced, but the law does not make this mandatory. He added that, in his personal opinion, should any losses occur, the government would probably take its time about com-

(CONTINUED ON PAGE 30)

Forshay Gives Report of Administration

Clarifies Stand of Agents on War Damage Corporation Issue

NEW YORK—R. W. Forshay of Anita, Ia., in his presidential report at the midyear meeting of the National Association of Insurance Agents, touched on a number of topics of current interest. At the outset he stated that at no time or place have the officers of the N. A. I. A. ever stated or intimated that all of the insurance companies should not have a large and substantial part in the work of the War Damage Corporation.

"Every statement made by any person in authority in the National association before, at the time of, and since filing our memorandum with the War Damage Corporation," he stated, "has suggested, or urged, or insisted on the companies having a full, responsible and complete proper place in the whole enterprise in so far as they were willing to accept such place."

The association, he declared, believes that through coordination of the services of all branches of the business the most efficient and economical operation possible can be accomplished in connection with the War Damage Corporation and the N. A. I. A. is ready to cooperate in a practical plan.

Recalls Work in Honolulu

Mr. Forshay told of the excellent work that was done by the local board in Honolulu preparing and filing with the RFC a schedule of claims for war losses. This is a demonstration of what the organized agents can do following an enemy attack, he declared.

In connection with agents that are called to the colors, Mr. Forshay said that the natural course would be for such an agent to select another agent in whom he had confidence to look after his affairs. Where no such selection can be made, then many of the local associations are undertaking in one way and another to preserve the agent's business. Competition should cease when an agent is called into the armed service, he said.

Mr. Forshay referred to the educational program, details of which are reported elsewhere in this edition.

The "V" plan for insurance has been a dynamic force, according to Mr. Forshay.

Insurance Tax Plank

"On the matter of insurance taxes," he declared, "equality should be the guiding star and the burden spread alike." There is no excuse for an insurance company to seek exemption from federal taxation because it transacts its business in a given way as distinguished from other companies that operate on a capital stock basis, he asserted.

On the subject of graduated expenses and commissions in the casualty business, Mr. Forshay said that the subject was being discussed in a comprehensive way and with the idea that workmen's compensation would be the first line to be specifically treated, when the boiler and machinery companies came out with their plan for equity rating. The agents resisted that move vigorously and it was temporarily halted, he recalled.

The old branch office question is one for continued negotiation until the diver-

Van Wiseman Confined to His Bed at Meeting

NEW YORK—Jerome Van Wiseman, director of public relations and publications of the National Association of Insurance Agents holding its semi-annual meeting here, suffered a collapse early Monday morning when the executive committee was still meeting and was taken to his room and put under the care of a doctor. He had a high fever. He was to have spoken before the joint meeting of state association officers and national councillors Monday afternoon. The executive committee had been meeting almost continuously and up to 2 o'clock in the mornings.

Mr. Van Wiseman recovered sufficiently to be at the banquet Tuesday.

gent views can be reconciled, he asserted.

Claims Agents Slighted

Apparently referring to the recent company proposal for handling the War Damage Corporation work, Mr. Forshay said he was shocked with the declaration in that filing "that the insurance industry means the stock, mutual and reciprocal fire insurance organizations." He said this implies that the production forces are not a part of the industry. This may be an indication, he asserted, that the welfare of the producers in the days to come may be in jeopardy.

May Detour Agency System

"The war emergency may have opened up an opportunity," he declared, "which may be made an excuse for detouring around the agency system in many instances." He referred as an example to the so-called Hill plan or war department rating plan for cost plus a fixed fee construction contracts and parenthetically threw in the suggestion that this plan might not, as a matter of fact, have been originated by the war department.

He said that the N. A. I. A. has been informed that pools or associations are getting in touch with large assured direct without the knowledge or participation of any agents. If business is written as a result, he said, it would constitute a violation of the principle of non-overhead writing.

Mich. Field Gathering at Onokana June 23-24

The annual summer meeting of the Michigan Fire Underwriters Association has been scheduled for Portage Point Inn at Onokana, June 23-24. The Michigan State Fire Prevention Association and Michigan Blue Goose will hold forth there at the same time. The Michigan Bureau Field Club is polling its members to determine whether the meeting shall be held at Portage Point Inn or at Belvidere Hotel, Charlevoix.

Program Outlined for New York Local Agents Rally

The program for the 60th annual convention of the New York State Association of Local Agents at the Hotel Onondaga, Syracuse, May 11-12, has been tentatively drawn up. War damage coverage and the safety responsibility law in New York will be among the features.

In view of the war emergency, the convention is being planned along educational lines with emphasis on discussion. War damage cover will be the subject of one panel forum. An outstanding authority will discuss the subject, and an agent will act as a moderator for the discussion that follows.

Sawyer, Egloff on Card

This procedure will be followed also with comprehensive liability, the safety responsibility law, and the assigned risk plan. E. W. Sawyer, attorney for the National Bureau of Casualty & Surety Underwriters, and John H. Egloff, field supervisor of Travelers, will talk on comprehensive liability.

Motor Vehicle Commissioner Mealey and Deputy Commissioner Culloton of New York will discuss recent amendments to the safety responsibility law and its operations, and Manager Newell of the assigned risk plan will explain the handling of rejected risks and will ask for suggestions for a simplified procedure.

Duffus Arranging Clinic

Roy Duffus, chairman of the educational committee, is arranging a sample insurance clinic and study group for Monday morning, May 11. This will be along the lines of the National association educational program. The administration report will come Tuesday afternoon.

Russell Carson, National association councillor, who is acting as insurance advisor to the morale division of the war department, will report on the National association convention.

Dinner Monday Evening

There will be the usual opening dinner on Monday evening with surprise entertainment, and the annual banquet will be held Tuesday evening. The Syracuse University Alumni Glee Club will give a concert at the banquet, directed by Al Deisseroth, a director of the state association.

Frank L. Gardner, Jr., Poughkeepsie, has been named chairman of the resolutions committee, and R. M. L. Carson, Glens Falls, chairman of the nominating committee.

The Voth & Manning agency, Cleveland, has been consolidated with the Hale & Hale Co. E. R. Manning, sole owner of the agency, died last February. Mr. Voth, his former partner, died several years ago.

State Officials and Councillors Hold Joint Meeting

Discuss State Association Work During the Present War Days

NEW YORK—What might be termed the first convention session of the National Association of Insurance Agents mid-year meeting took place Monday afternoon, it being a joint meeting of state association officers and national



H. E. McCLAIN

councillors. David A. North, New Haven, National association vice-president, was in charge, but mid-way in the meeting he had to leave to attend a conference. T. G. Redden, Greensboro, N. C., National executive committeeman, substituted for him. Jerome Van Wiseman of the National executive office was billed to talk about the Insurance Coordination Board and the "V" plan. He was to recite the developments of the plan that was announced at the Kansas City annual meeting. However, he was stricken with illness and was confined to his bed in charge of a doctor.

General Counsel W. H. Bennett took his place, saying that the "V" plan provided for a constructive and continuous crusade. The Insurance Coordination Board, he added, was brought into action to develop specific projects, one of which is the war action division. It is recording the contributions that insurance is making to the war effort. Mr. Bennett said this plan cannot be brought into full flower in a short time. He criticized the insurance industry for not meeting the full public requirements at all times. The business, he said, has been lax in its public policy. Complicating the situation are the three groups, fire, casualty and surety, which have to be coordinated but which have their own programs. The "V" plan, he said, embraces no controversial issues. He characterized good public relations as a system for carrying to the insurance buyers the story of insurance and giving knowledge of the full benefits which it contributes.

McClain and Ostot Leaders

There were two set speakers in the way of discussion leaders that had charge of the forum discussions concerning state associations in war times, they being H. E. McClain, executive secretary (CONTINUED ON LAST PAGE)

THIS WEEK IN INSURANCE

War topics dominate discussion at mid-year meeting of National Association of Insurance Agents in New York. Page 3

Hovey T. Freeman makes fight to keep the factory mutuals free from taxation. Page 3

The fire in downtown Kewanee, Ill., will cost insurers an estimated \$1,250,000. Page 3

War clause in proposed revised New York standard fire policy is changed materially by the senate insurance committee. Page 5

R. W. Forshay gives report of administration at mid-year meeting of National Association of Insurance Agents. Page 4

Details are announced of the educational program of National Association of Insurance Agents, consisting of 100 hours of study for local groups. Page 5

Weekly premium fire insurance to be discontinued in Virginia. Page 5

War Damage Corporation plans are still indefinite, but conferences are continuing. Page 6

Annual meeting of members and trustees of Underwriters Laboratories is held in Chicago. Page 8

Program is announced for insurance luncheon at annual meeting of U. S. Chamber of Commerce. Page 8

National Bureau of Casualty & Surety Underwriters issues a new medical payments form to round out residence liability protection. Page 21

Mutual and reciprocal representatives, in hearing before house ways and means committee, put up a strong fight against the proposal to subject the participating institutions to federal income tax. Page 21

Change War Clause in Reporting New York Revised Policy

Limited to War Time, Excludes Losses Covered by Government Funds

ALBANY, N. Y.—The controversial war exclusion clause of the proposed revised New York standard fire policy was materially softened by the senate insurance committee here before the bill setting up the new policy was reported to the senate. A number of other changes, mostly minor, were made.

The revised war clause excludes liability for "loss caused, directly or indirectly, by operations of military, naval or air forces during time of war or for war damages which are provided for or insurable by the federal government or any agency thereof."

Opposition Still Expected

The war exclusion clause, as originally presented, denied liability for any loss "by fire or other perils insured against" caused by operations of military, naval or air forces. There was no restriction to war time in the original draft.

The change removes part of the objections, but not all. The revised clause still denies liability, for example, if the extended coverage endorsement is added, for damage caused by accidental crash of any army airplane or vehicle, even if there is no actual fighting. Many observers also expect opposition to the principle of making coverage partly dependent on government protection, first because of the uncertainty of this, and perhaps more realistically, because many policies will have been issued during the war on older forms before any new policy can become effective.

The provision giving the insurance superintendent power to authorize renewal certificates was stricken from the bill, on the ground that section 169 of the insurance code already empowers him to do this.

The clause treating other insurance has been changed to read: "Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto." This change, to which no opposition is expected, authorizes other insurance unless there is a prohibition or limitation, as is sometimes required with unprotected classes.

Fire Caused by Riot

The explosion clause has been changed to include "riot." It now excludes loss "as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only." The new clause makes it clear that fire caused by riot is covered, but not other riot damage. The present standard fire policies exclude fire caused by riot.

The expression "whether collectible or not" has been added to the clause providing for pro rating with other insurance, making it similar to the present wording. The term "peril" has been substituted for "hazard" in this clause. The word "unoccupied" has been added to the vacancy clause.

There does not seem to be any organized opposition to the bill itself, although many producers are dissatisfied with the proposed policy, regarding it as a company proposition, put up without consulting any other interests. Efforts will undoubtedly be made to revise parts of the contract, but apparently no group will endeavor to kill the whole matter because of dissatisfaction. The insurance department is believed to be opti-

Certificate in Lieu of New Policy Is Suggested in Cal.

SAN FRANCISCO—The use of certificates not only for renewals but also in lieu of new policies was suggested by Henry Sanguinetti, Travelers Fire, before the Fire Underwriters Forum here. As the standard California fire insurance contract is part of the state insurance code, a certificate showing that the company covers the risk in accordance with the California law might be sufficient, with special riders for extended coverages attached. The California form cannot be changed except to extend the cover.

Walter Newman, assistant secretary Pacific Board, reported that Commissioner Caminetti had been asked for his opinion on the legality of renewal certificates.

In the discussion it was brought out that service to agents and brokers had suffered because of the demands for man power in the war effort and the loss of time in training new personnel or by increasing the duties and tasks of remaining employees.

Fireman's Fund is requiring all employees to maintain detailed duty diaries so a newcomer can carry on with little confusion.

Mr. Sanguinetti was named chairman of a special committee by President W. T. Seawell to gather suggestions, ideas and outlines of methods now in operation and then seek to bring out a uniform plan for conservation of paper, supplies, such as clips and other devices which are now practically impossible to replace, as well as to aid those remaining on the employee staffs to maintain adequate and proper service.

At the April 29 meeting John L. Levison, Levison Bros., brokers, and chairman of the executive committee of Society of Insurance Brokers of San Francisco, will speak on "Public Relations for the Insurance Business from the Standpoint of the Broker."

Renewal Slips O.K. in Michigan and N. H.

LANSING, MICH.—Commissioner Berry is notifying fire companies licensed in the state that the department, effective immediately, will permit renewal of policies by endorsement, "if such endorsement is properly signed by the company and its authorized agent, as required by the statute, and if it contains a statement of the premium paid for the additional coverage extended thereon, and in all other ways complies with the requirements of the Michigan statutes."

Use of the plan is entirely optional with the companies.

AUTHORIZED IN NEW HAMPSHIRE

Commissioner Rouillard of New Hampshire announces that use of renewal or continuation certificates is authorized in New Hampshire. The certificate to be used must be filed with the department and must contain the information as to term of the certificate, coverage provided, individual charges for each coverage, a certificate number which corresponds to the number of the policy that it continues and a space for countersignature of the resident agent.

The requirement that the certificate number correspond with the original policy number may cause complications.

mistic over the chances of passage, with or without revision.

Egloff, Lilly at Women's National Meet in St. Paul

ST. PAUL—At the opening day's session of the annual meeting of the National Association of Insurance Women

Virginia Acts on Industrial Cover

Orders Home to Cease Writing Weekly Premium Fire Business

RICHMOND—After two years of hearings on weekly industrial fire rates of Home of New York, the Virginia corporation commission has ordered Home to cease writing such business by July 8. Home submitted a revised schedule last fall, lowering industrial rates considerably, but the commission holds that the rates are still too much at variance with the bureau schedule to continue writing such business.

"Allowing full weight to any benefit to which the company may be entitled by offering to write at the lower rate," the commission states "there is no economical justification for writing this class of insurance. The company writes only in first, second and third class towns, and has a limit of \$1,500. The evidence shows that the cost of this amount of insurance, written by bureau rates, is only \$3.60. It is difficult to see why there is any need for financing as small a premium as this or for permitting it to be sold on the installment basis at rates enormously higher than the bureau rates."

"In speaking of the \$1,500 of insurance, the commission took the extreme limit at which the company writes. The undisputed evidence is that the average policy it writes is \$500, the minimum premium for which at bureau rates is only \$2, and would be considerably less than that but for the fact that the \$2 is the minimum charge on any risk under bureau rates. Another significant fact which the evidence completely supports is that the number of lapses annually is almost exactly the same as the number of policies written. In the opinion of the commission, this shows that it is a type of insurance that is sold rather than bought. Even to allow the writing of this insurance at the reduced rates, as shown in the exhibit filed on the motion to rehear, 86.07 percent of the total premium income is used for expenses, and only 13.93 percent to pay losses."

"It is realized that to require the Home to write at bureau rates may cause a hardship to some agents who have been writing this insurance at the higher rates but in the opinion of the commission this does not offer a justification for permitting this type of insurance to continue to be written. Some of these agents may be inconvenienced and may even lose their present position. Granted that this is so, there has perhaps never been a better time for making the change, because any man who wants work now can find it, and those agents who may be out should experience very little difficulty in finding other profitable employment."

Courtenay W. Harris, rate clerk, represented the Virginia insurance department in the proceedings, assisting the commission in preparation of the state's case.

here, June 24-27, John H. Egloff, superintendent of field service Travelers, will discuss "Comprehensive Liability" and George W. Lilly, general manager Fire Companies Adjustment Bureau, will talk on "Adjustment of Losses." It will be in the nature of a home-coming for Mr. Lilly, who is a native of St. Paul and member of one of the prominent insurance families of Minnesota.

Fern Harrington, the general chairman of the convention, announced this week that the program for the four-day meeting is being rapidly whipped into shape and should be ready for publication in the near future. Special efforts are being made to provide interesting entertainment for the delegates and others who attend.

Educational Program of N.A.I.A. Completed

Project 100 Hour Course of 10 Units for Local Groups

The National Association of Insurance Agents this week brought out its educational program in completed form and the material for all 10 units in the 100-hour course of study is now available to interested local, county, regional



GEORGE W. SCOTT

and state-wide study groups, it is announced by George W. Scott, director of the educational division.

The program is inaugurated after 15 months of preparation in which the aim was to develop a coordinated, comprehensive program of insurance study, national in scope, which could meet the current, everyday needs of the rank and file of agents and agency employees in the property, casualty and surety fields.

The program embraces 10 individual courses, each of which constitutes a separate unit of study by itself. The length of time required to complete these separate courses varies from four to 20 hours, depending upon the subject matter covered. A total of 100 hours, however, will be required to complete all courses, the successful completion of which will entitle students to a certificate award from the N.A.I.A.

Unit Courses Set Forth

The unit courses together with the number of hours allocated to each are: Accident and health, 4; agency management, 8; automobile material damage and liability insurance, 16; boiler and machinery, 4; burglary and glass subdivided: burglary, theft and robbery, 7 hours; and glass, 1 hour; fidelity and surety, 8; fire and allied lines, 20; inland marine, 8; public liability and compensation, 20; miscellaneous subjects subdivided: aviation 3 hours; state insurance laws, 2 hours.

There are no restrictions on the order in which the separate units may be sponsored. Local option will determine this. It is required that each course be completed in its entirety before work is started on any other unit, as a comprehensive type of written examination will be given at the conclusion of each separate unit course of study.

In the prospectus of the educational program, it is explained that the pro-

(CONTINUED ON PAGE 32)

Canadian Dwelling Policy Is Greatly Broadened

Increase in Benefits and Slash in Rates Are Coincidental

TORONTO—An announcement by the Canadian Underwriters Association issued here reveals that the cost of fire insurance on dwellings in Toronto has been substantially reduced. The coverage given by the regular fire insurance policy has been broadened as follows:

Insurance on the main building has been extended to include subsidiary buildings on the premises such as garages, etc.

Insurance on the main building includes also loss of rental income.

Insurance on contents of dwelling is extended to include property of insured or any member of his family whilst temporarily located anywhere in Canada, the United States or Newfoundland.

Insurance on contents extends to personal effects of guests and servants.

Coverage is given for additional living expenses resulting from fire.

Basic rate for the supplemental cover has been cut in half and the standard coverage against windstorm, smoke damage, riot and explosion will now include war risk (form No. 1) covering damage by sabotage, impact by aircraft, etc., for which an extra premium was formerly charged.

Based on a careful study of conditions in various parts of the province and having in mind the general experience over a term of years, an extensive revision of rates has been made, the C. U. A. statement reveals. This has resulted in many cases of reductions ranging from 10 percent to 25 percent. In part, the statement reads:

"The broader cover and the lower rates mean that the insured will be able to get considerably broader protection for the same or less cost than was charged heretofore for fire cover only. It is believed that the new form is the broadest general cover for dwelling insurance in use on this continent."

The new rates and forms now published for dwellings are the beginning of an aggressive and progressive program being undertaken by the Canadian Underwriters Association and it is understood that other rate revisions are in course of consideration and will be announced shortly.

This action of the C. U. A. is the result of the appointment of an Ontario committee at a recent general meeting of the association at which a proposal to suspend rates and rules was negated.

Cleveland Board to Elect

CLEVELAND—The annual meeting of the Insurance Board of Cleveland will be held April 29.

The Mutual Insurance Association of Cleveland held a question and answer forum, April 15. The association will hold a dinner meeting May 22.

William A. Gottsacker, who has been operating the Gottsacker Insurance Agency at Sheboygan, Wis., has joined the army. Harold A. Gottsacker, who was interested with his brother in the agency, has resigned his position as field assistant in the Milwaukee office of Travelers to return to Sheboygan and run the agency for the duration.

Breakfast Conferences at Agency Meeting

NEW YORK — There were three breakfast conferences assigned for Monday morning at the National Association of Insurance Agents meeting, one on fire and accident prevention, one rural agents and the other education. These early conference may not be well attended but they do draw out those that are particularly interested in a special subject. The fire and accident prevention conference was in charge of A. B. Millard of Grand Rapids, chairman accident prevention committee. He was assisted by H. N. Mann, Tacoma, chairman fire prevention committee.

Mr. Mann stated that his committee had distributed thousands of fire prevention pamphlets gotten out by different agencies. The Pearl Harbor attack changed entirely the program of the committee. He stressed the model fire prevention ordinance devised by the National Board. It was first adopted in St. Paul and since the Kansas City convention 11 other cities have adopted it. He said that this work will be continued but the best form of approach, he declared, is through the civil defense work.

Found Unsatisfactory Conditions

One agent who has inspected plants getting out munitions or wartime material said he had found them in bad condition and, therefore, urged that fire prevention authorities should start on immediate correcting of conditions. He said he found in these cities the local fire departments indifferent. It was generally agreed that while it is necessary to get the cooperation of the fire chief, it is wiser to approach the subject of fire prevention through other agencies than the fire department.

Paul Hardesty of the insurance department of the U. S. Chamber of Commerce said that the fire waste council is intensifying its activities. He stated that small businesses are now facing difficult problems, but if they are burned out they cannot be replaced at the present time. He said it has been discovered that what might be called conservation work is responsible for fires, citing the fact that rags, paper and other inflammable materials that are being saved are usually stored in basements or closets and thus create additional fire hazards. He stressed the necessity of eliminating first the ordinary fire hazards.

Mr. Hardesty said that in many points there is a lack of coordination between the civil defense councils and other local agencies.

Need Better Publicity

In connection with accident prevention one of the complaints made was that when the National Conservation Bureau, the National Bureau of Casualty & Surety Underwriters or the Association of Casualty & Surety Executives sends out a representative to talk or confer with local bodies, he is not identified properly in connection with his mission. The names of these organizations, Mr. Millard asserted, mean very little to the public. The mutuals, he explained, are more astute in getting their efforts properly publicized. The stock insurance people, he said, are behind the times in this respect.

George Scott's Breakfast

The educational objectives of the National association have reached the production stage, George W. Scott, director educational division, declared in opening the breakfast educational conference. The prospectus gives a complete picture in synopsis and summary form of the association's educational program and is one of the finest examples of the complete unity in the insurance business, Mr. Scott said, both agency and com-

pany. Mr. Scott traced the development of the program from its inception over a year ago and paid tribute to the officers of the association, company officials and the agents advisory committee which had brought the plan to fruition. He described the work done as a "labor of love" and stated that it would be impossible to pay the men responsible for the work enough money for their time and effort.

Mr. Scott pointed out that the program was the first time a coordinated, integrated educational plan had been presented to all states simultaneously. Although the training courses may be conducted by state, regional or local boards, bringing the school to the agent, the National association prefers to work through the state associations in order to simplify the work, Mr. Scott stated. There are over 700 local boards on record.

Every page of the outline material is dated and kept up to date. A cost of 15 cents per student hour has been determined upon to pay running expenses. The cost of the program, however, has been underwritten by the National Board and the Association of Casualty & Surety Executives.

The Indiana Association of Insurance Agents is using the program as a basis for a school it is holding this summer in which two 20 hour courses will be offered, covering fire and allied lines and public liability and workmen's compensation.

Blank pages have been provided opposite discussion outline material in order to give students an opportunity to ask questions important to them with respect to the subject matter under consideration. Attendance at the breakfast set an all time record.

RURAL AGENTS AROUSED

Rural agents are in a fighting mood over automobile competition of State Farm Mutual and similar carriers and demand the "80-20" collision insurance form to meet it, the rural agents breakfast conference clearly revealed. In the absence of Alex Case, Marion, Kan., national rural agents chairman, Howard W. Bradshaw, Delphi, Ind., presided. The discussion was unique in that it centered almost entirely around automobile and casualty insurance.

Mr. Bradshaw announced that he would confer with the National Automobile Underwriters Association over collision coverage, which has been the big weapon of the rural agents' prime competition.

Price Not Main Factor

The unanimity of opinion over the automobile troubles was emphasized by a questionnaire sent to rural agents chairmen. Out of 32 states responding, 19 named State Farm Mutual as the main competition and four named farm bureau companies operating on the same basis. In every case, the "80-20" collision form, under which the company pays 80 percent of each loss below \$250, was named as the main factor in the success of these carriers. Practically everyone present emphasized that coverage, not price, is the stumbling block. Many cases were quoted where agents have been able to hold the automobile liability insurance of clients, in spite of a small price difference, but have lost the collision insurance to one of the "80-20" carriers, and other cases where the agent writes all a client's line but his automobile business. Mr. Bradshaw read the record of growth of State Farm Mutual, now the country's leading automobile insurer, and then drew sarcastic laughs by reminding the group of predictions that there was nothing to such

Insurers Agree to Accept Some War Liability

Would Take a Maximum Risk of \$20,000,000 Under WDC

The matter of whether the insurance companies shall accept a portion of the liability in connection with policies of the War Damage Corporation continues to be the principal question awaiting solution in preparing for the operations of WDC, it is understood. When advised that the government authorities wanted the insurance companies to be partners in the enterprise insofar as assuming liability is concerned, the stock company committee went into session and it is understood drafted a letter to the RFC in which it was stated that the stock companies all along had gone on theory that the government wanted the private insurance companies to take a sideline position and neither initiate the writing of war risk insurance or be a reinsurer or coinsurer of the government.

However, under the circumstances, the committee expressed a willingness to assume a certain portion of the liability. It is understood that what the companies propose is that on the first \$200,000,000 of risk assumed by WDC, the insurance companies would take 10 percent on a quota share basis but the insurance companies on all liability over \$200,000,000 desire that WDC pay all losses and take all premiums.

There have been indications that the government people do not feel that this is a large enough participation on the part of the private companies.

Who Would Reinsure Who

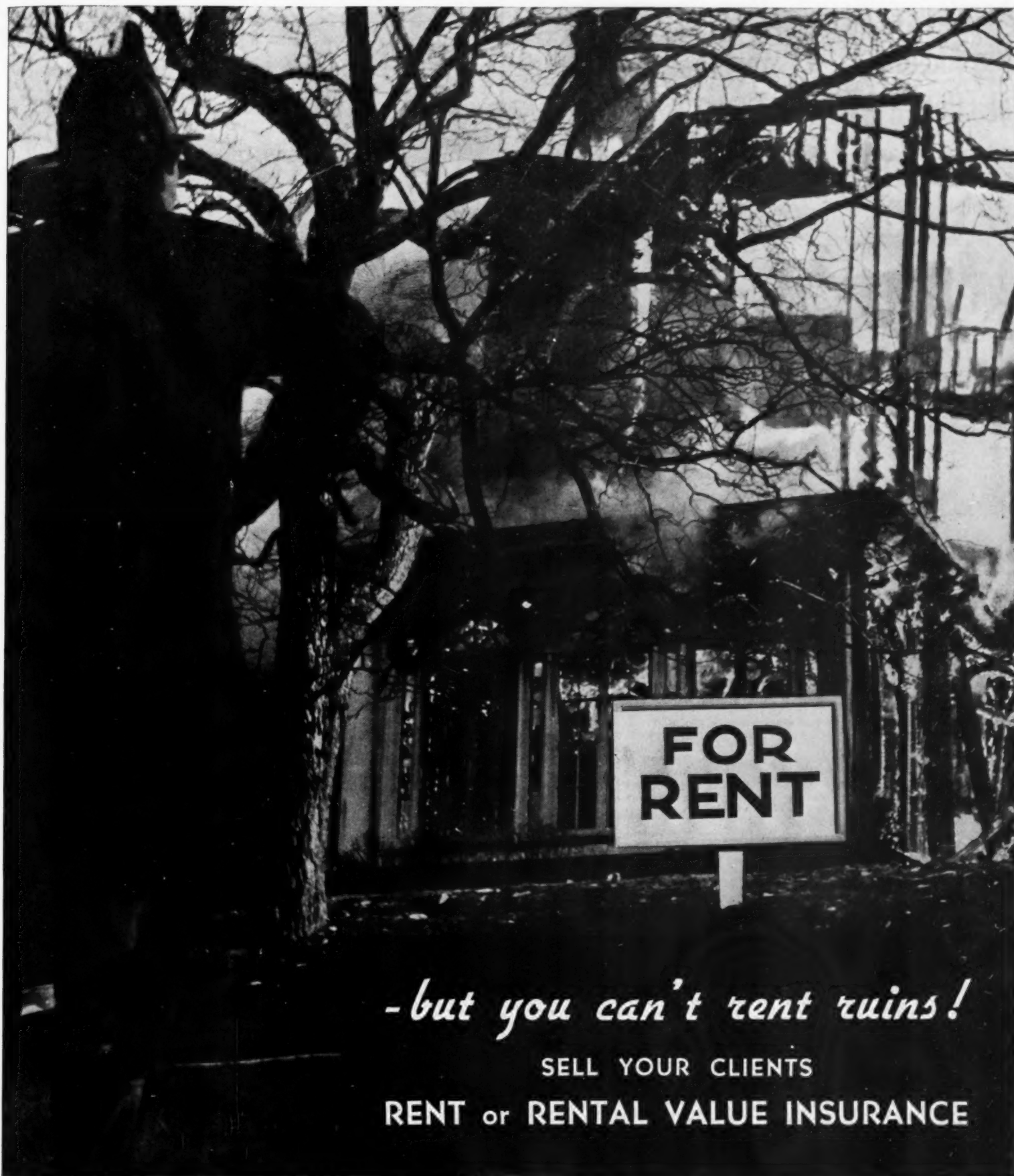
Another question to be settled is whether the certificates or policies to be issued would be those of the War Damage Corporation or of the insurance companies.

(CONTINUED ON LAST PAGE)

companies and that their collision form would prove disastrous.

Mr. Bradshaw also discussed farm liability and employers liability insurance, hoping for the adoption of an employers liability form similar to that used with residence liability coverage. He explained that in most states farm labor is not under the workmen's compensation law, but that employers liability insurance for farmers must be rated from the compensation manual. The resulting premium is simply too high to interest a farmer with one or two hired men and Mr. Bradshaw said he did not think it could be justified by the exposure. While the questionnaire did not reveal as much interest in this line as in the automobile insurance situation, Mr. Bradshaw said he was confident a reasonably priced employers and farm liability contract could be sold by many agents and would prove feasible from an underwriting viewpoint.

Recalling the statement that food will win the war, Mr. Bradshaw said that conversely lack of food can lose the war and that it is up to agents to do their part in avoiding this condition by sponsoring fire prevention and rural fire protection. He outlined the formation of a fire protection district in a rural community, securing equipment and manpower and planning responses. An important feature was the mapping of the district, in which the school children played an important part. He called sponsoring work of this type ideal for any agent.



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MARYLAND INSURANCE COMPANY OF DELAWARE
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New York, N.Y.

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

Laboratories' Work Is Big Aid to War Effort

Hold Annual Parley in Chicago—Report Cause of Fall River Fire

The Fall River rubber fire of Oct. 11, 1941, was caused by spontaneous ignition of sponge rubber, the chemical department of Underwriters Laboratories has determined. About 14,000 tons of rubber were destroyed and this was the largest single industrial fire loss in recorded history.

This statement was contained in the report of Asa H. Nukolls, chemical engineer, at the annual meeting of members and directors in Chicago.

The Laboratories during 1941 had its largest year in history, President Alvah Small reported.

During each month of 1941 the services were employed to an extent exceeding that of the corresponding month of any previous year, Mr. Small said. At the request of the national government and of municipal, state, industrial and insurance groups many special problems have been investigated, he said.

New Trustees Elected

New trustees elected were William N. Achenbach, western manager of Aetna Fire; Charles H. Smith of Smith & Wheeler, western managers of Hartford Fire, and J. M. Thomas, president National Union Fire. Robert P. Barbour, U. S. manager of Northern of London, and president of the National Board, was elected a trustee earlier in the year.

John C. Harding, executive vice-president of Springfield F. & M., chairman of the Laboratories' board of trustees, presided.

Priority control has resulted in an increase of proposals for substitutions in the products tested. The safety standards for many products have been revised where necessary to permit the recognition of these substitute materials "for the duration only," but always there is assurance that the safeguarding of equipment is maintained at a high level.

Operations in 1941 resulted in an addition to surplus of 6½ percent of the gross receipts. Payroll disbursements totaled \$1,138,000 and were about two-thirds of the total operating expenditures.

New Electrical Products

R. B. Shepard, chief electrical engineer, reported a decline of 18 percent in the work of investigating new electrical products. This reflects the increased use of electrical manufacturing facilities for war products.

In January Chief Engineer John A. Neale served in the office of the fire protection engineer, corps of engineers, War Department, assisting in the preparation of purchase specifications for OCD fire fighting equipment.

E. J. Smith, engineer of the gases and oils department, reported that priority control of copper and brass has made it necessary to substitute other materials for fire extinguisher parts. The department has worked with the fire extinguisher industry and with the government on this problem. The Laboratories are being consulted with respect to the 4-gal. size pump tank fire extinguisher which, it is proposed, will be made in large quantities for OCD use.

R. W. Hendricks, hydraulic engineer, told of the development of a substitute for the conventional brass fire hose coupling. Also, there was investigated ways of controlling or extinguishing magnesium fire in chips, dust, and fines,

Map Program for U. S. Chamber Insurance Parley

The program has been completed for the meeting in Chicago, April 28, of the insurance division of the U. S. Chamber of Commerce. It will start off with a luncheon and then run into the afternoon with three formal speakers, they being Paul F. Jones, insurance director of Illinois, whose subject is "Insurance Supervision under War Conditions," Dr. S. S. Huebner, University of Pennsylvania business school, president of the American College of Life Underwriters and the mainspring in the promotion of the American College of Property & Liability Underwriters, Inc., who will speak on "The Future of Insurance," and Reginald Fleming, insurance manager of Commonwealth & Southern Corp., who is vice-president in charge of the insurance division of the American Management Association, on "Industry's New Insurance Problems."

John L. Train, president of Utica Mutual, will preside in his capacity as chairman of the insurance division.

Fire Premiums for 1941 in Arizona Increase

Net fire premiums for all companies in 1941 in Arizona totaled \$1,985,732, an increase of 5.9 percent. Losses were \$593,808 for a ratio of 29.9.

Automobile net premiums totaled \$971,449, a gain of 3.7 percent. Losses totaled \$496,321 for a ratio of 51.09. On extended coverage, tornado, sprinkler leakage, riot and civil commotion, and earthquake, the total premiums were \$133,561.

Four New Officers Are Elected by Home

Henry B. Reinhardt has been elected assistant treasurer of Home and J. W. Teese, Arthur F. Herman and M. A. Sedgwick are made assistant secretaries.

Mr. Reinhardt was formerly cashier. Mr. Teese has been supervisor of the eastern department, Mr. Herman, division underwriter of the southern department, and Mr. Sedgwick has been manager of the investment department.

such as are accumulated in factories machining magnesium castings for aircraft engine parts. Methods of extinguishing magnesium bomb fires are also a part of this investigation.

"Our experiments with the problem of controlling magnesium fires and incendiary bomb fires will shortly enable us to offer sound practicable advice to all concerned in this matter," Mr. Hendricks said.

H. B. Michael, burglary protection department, reported the issuance of 1,193 approval certificates for new installations of burglary and robbery protective equipment meeting specifications. This department has been active in the investigation of invisible-ray burglar alarm installations for the protection of munitions plants and other premises.

G. E. Manning, superintendent of label service, estimated that manufacturers used more than one-half billion Laboratories' labels during 1941 on approved products. This was an increase of 33 percent over 1940. Deliveries to defense projects accounted for more than one-half of the total number of labels used.

Engineers have been active in checking installations of lightning protection systems on several thousand buildings at munition plants, shell loading factories and ordnance depots. Such inspection is a part of the contract awarding the installation jobs to lightning protection companies. The Laboratories' consultation on this work has so simplified the specifications for lightning protection systems as to allow the saving of several thousand tons of copper for other war uses.



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For 90 years the American eagle has topped the seal of the *Hanover Fire*, emblematic of the Company's American tradition.

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WESTERN DEPARTMENT
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America Fore Western Unit in New Home

The western department of the America Fore is now operating from its new quarters which comprise the entire 18th floor and most of the 19th floor of the Field building at 135 South La Salle street, Chicago. The move from the America Fore building at 844 Rush street was accomplished last Thursday night and most of the departments were operating at the new location Friday and Saturday. By Monday the new quarters were well ordered and visitors streamed into the offices throughout the day. There were baskets of flowers on all sides.

Insurance people in Chicago are much pleased that the America Fore is back in a La Salle street location. Many persons who had dealings with the America Fore saw very little of the organization at the north side location and those in the insurance district welcome the opportunity to have much more frequent personal contact with this important group.

There are about 550 employees in the western department. On the first day a very large proportion of the employees descended upon the restaurant in the building causing embarrassing prosperity to that establishment.

Henne Gets "Reprieve"

Vice-president and Western Manager E. A. Henne, who had been called to Jefferson City, Mo., as a witness in the hearings being conducted by Attorney-general McKittrick, was given permission to remain in Chicago for the moving days and he was thus on hand Monday to greet the throng of visitors.

The walls of the new offices are done in a pleasant shade of blue. The principal executive officers have especially inviting, large private offices.

The old America Fore building which had housed the department for nearly 20 years, has been purchased by the United States Railroad Retirement Board.

Fred A. Karasek, general cashier, who has been with the organization 54 years and is the oldest employee in point of active service in the western department, recalls that this is the fifth move that he has made. He started with the old Phenix of Brooklyn at Clark street and Jackson boulevard in the Phenix building in 1888. Then in 1892 Phenix moved to 100 West Washington street in the Title & Trust building. The next move was to the Home Insurance building at Adams and La Salle streets, which was later demolished to make way for the present Field building. The fourth move was to the America Fore building at 844 Rush street and now to the Field building.

C. R. Williams, formerly head of the Illinois Loss Adjustment Service of America Fore, who has been executive assistant in the western department since the first of February, was in general charge of the office layout and details involved in the moving.

Ky. Ruling Made on Division of Commissions

Insurance Director Goodpaster of Kentucky has issued a ruling which is an interpretation of the law governing division of commissions between resident agents and non-resident agents on insurance covering property located in Kentucky and owned by a Kentucky corporation.

He rules that a division of commissions is prohibited between a local resident agent and a non-resident agent upon insurance covering property located in Kentucky and owned by a Kentucky corporation, regardless of whether the Kentucky corporation is owned or controlled by a foreign corporation or

non-resident stockholder. The property under such circumstances shall be regarded as if owned by a natural resident of Kentucky.

Mr. Goodpaster states he has been informed that policies covering Kentucky property have been issued in the name of a non-resident corporation with a loss payable clause to a Kentucky corporation attached. Any division of commissions between a resident agent and a non-resident upon such a policy would place the license of a Kentucky agent, of the non-resident agent and of the in-

surer in jeopardy, Mr. Goodpaster says.

Hail Cover Is Not Written on Open Credit Basis

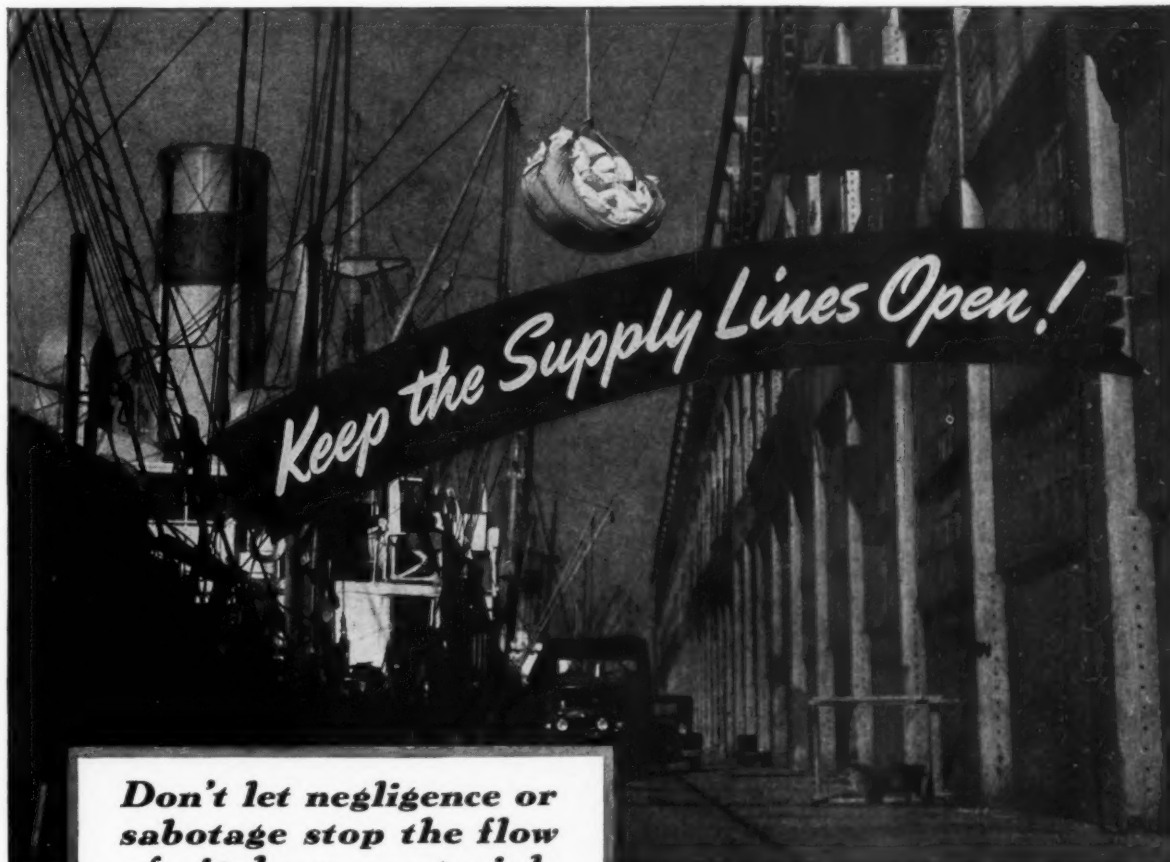
The statement recently was made that hail insurance is written, as other fire and casualty lines, on an open credit basis. This is not true, according to men in the hail underwriting field.

The premium is always settled in advance, for cash, or for a negotiable promissory note. Usually the note car-

ries a first mortgage on the crop insured, though practices in this respect differ somewhat in different territories.

The same general practices are followed by both mutuals and stock companies. Some companies used to write hail cover on tobacco in Kentucky and Tennessee on open credit, but this practice was abandoned for the advance payment plan about 10 years ago.

Order Direct Reading Rate Finder & Cancellator, \$2, from National Underwriter.



WITH this nation's industrial activities coordinated into one vast war production program, stoppages anywhere along the line may result in serious bottle-necks with consequent delays in delivery of supplies to our armed forces. With the threat of sabotage added to all the hazards of normal times, it is essential that all-out protection measures be provided to safeguard against interruption of production or destruction of vital materials by fire or other controllable hazards.

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Two Territorial Meetings Held at Midyear Muster

NEW YORK—There were only two territorial conferences scheduled at the meeting of the National Association of Insurance Agents at the mid-year meeting in New York City, they being the southern and eastern. The mid-western delegates were disappointed that Chairman G. W. Carter of Detroit did not have a meeting as his conference is the one most widely attended. The Pacific Coast councillors held a recent meeting at Oakland, Cal.

Broadus Bailey of Greenville, S. C., chairman of the Southern Agents Conference, presided over the southern territory meeting with Manager Henry Brown of the South California association acting as secretary.

Agents Seek Consultation

H. C. Arnall of Newnan, Ga., read a resolution adopted by the Pacific Coast conference which urged and demanded that the agents be consulted before any changes are made in rules, forms, etc., during the war emergency. The resolution stated that the agents are in close touch with the buyers and they should be in a position to inform them of these changes. The resolution was directed to the companies, company boards and bureaus. The resolution stated that the war situation would bring new problems.

Discuss Southern Practices

It was voted to adopt a similar resolution and have it referred to the conference committee of the southern conference to be sent to the company conference committee.

Mr. Arnall also presented some forms and practices that are being used in some southern states and in other jurisdictions but are not officially used throughout the Southeastern Underwriters Association territory. He took the position that if one state is permitted to have a certain form or follow a certain line of procedure, then it is inconsistent to keep such from other states. This was referred to the Southern Agents Conference to be worked out through the conference committee.

Contingent Commissions

Stuart Ragland of Richmond, Va., brought up the question of contingent commissions, asking what progress had been made in S. E. U. A. territory toward having this plan of compensation adopted. He said that a number of Virginia agents were insisting that the contingent plan should be put into effect. It was stated by others that unless the S. E. U. A. adopted this plan, the danger would be for agents to seek outside companies that have contingent commission arrangements.

Chairman Bailey stated that the Southern Agents Conference had brought the subject before the company committee and had further made an appeal to the National Association of Insurance Agents for assistance. The reply was that this is a national question and that companies would not be justified in having contingent contracts in one jurisdiction and not in others. It was said that every approach had been exhausted and at this time there did not seem to be any hope of the contingent plan being adopted.

Reference to Excepted Cities

Reference was made to the fact that such contracts were made in excepted cities and excepted territory. Hence it was held to be illogical for companies to pay contingent and excess commissions in preferential areas and not allow agents that did much underwriting at the source to participate in the profits.

It was voted to refer the question to the contingent committee of the Southern Agents Conference of which O. M. Stallings of Tampa is chairman with the request that it give further study to the subject and make recommendations

to the conference committee, the latter being empowered to take such action as seems wise.

EASTERN GROUP

Representatives from the 13 states of the eastern territory were present at the national councillors' territorial conference for that group. T. A. Sturgess, New Haven, Conn., presided as chairman, and H. F. Shea, Montpelier, Vt., was secretary. The eastern group will hold another territorial meeting before the annual meeting, probably within about three months.

Authorization of the personal property floater in Rhode Island, Vermont and Maryland brought out considerable discussion and hope was expressed that it would soon be authorized in other eastern states. Mr. Sturgess said that he is hoping for a favorable response from the Connecticut department at any time. Progress toward securing its approval in New York was reported being made. Henry Davis, Providence, said that the authorization of the personal property floater in Rhode Island was the best thing that ever happened to agents in that state. People like to buy the best coverage, Mr. Davis declared, stating that he had developed a surprising volume of business on the form from little expected classes of business. Any one with a \$2,500 household goods policy is a prospect for the personal property floater.

Large Valuations Built Up

He said that agents often found that an insured with a small fire or burglary policy would be sold by some other agent who would step in and sell him other insurance coverage. However, the personal property floater eliminates this competition because it is an all-inclusive coverage with the exception of war risk insurance. It enables an agent to develop jewelry and fur business he had never had before and often builds up to a \$10,000, \$12,000 or \$15,000 valuation from small beginnings.

Hard to Get Inventory

A speaker from Maryland said that by talking the personal property floater to his insured, an agent could write nearly 60 percent additional insurance over what he had before. Generally, it is hard to get a man to make an inventory. However, when this is done for the personal property floater, it makes one astounded at the values developed.

A question was asked whether the war risk insurance which is being written by several companies would be considered as excess insurance in view of the free war risk coverage which has been offered up to the present time by the government. A speaker who represented the Rhode Island stated that its policy would pay a claim immediately and the company would take subrogation. The Rhode Island policy is written for one year and is non-cancellable within that period.

Critical of Companies

A speaker criticized the companies for suggesting a rate schedule to the government when they were unwilling to assume the risk themselves. An agent who represents a company writing war risk said that he had written \$75,000 premiums in three months. He finds that insured are willing to pay a stiff premium because they are making good money that will have to be paid in taxes anyway.

A fine inspection was held at Milbank, S. D., with 21 fieldmen on hand. At the banquet there were 150 guests. J. J. Burr Taylor of Chicago was the main speaker. The next inspection will be held May 13 at Britton.

Kenney Criticises Companies, Agents

Roger Kenney, insurance editor of the United States Investor, took the fire and casualty business severely to task in his talk at a meeting of the Insurance Club of Chicago, but his audience of 110 applauded vigorously.

Mr. Kenney sees a gloomy future for the business. While the companies have been doing well and had an excellent 1941, 1942 will be different. Fire premiums of more than a billion in 1941 contained \$114,000,000 of ocean marine, which was easy to get and profitable. But with submarine sinkings, the companies would like nothing better than to get out of the field, leaving the cargo and hull insurance problems in the lap of the maritime commission.

Automobile Premiums Off

Automobile fire premiums were \$301,000,000 in 1941. Companies won't have that in 1942 or 1943. Auto casualty business was \$325,000,000, and most of that will disappear. Compensation premiums totaled \$200,000,000 with good experience, but this good experience can't continue under the demand for speed and with green employees.

Fire companies, which are overcapitalized, face a sharply curtailed premium income, he asserted.

There will be no public or governmental sympathy for the companies when they reach the state Mr. Kenney predicted for them. Their earnings have been good. They have too many bureaus. The stock companies allow some agencies to supply engineering service, instead of doing it all themselves, as the mutuals do, and in this way provide a means of paying excess commissions. Companies appoint too many agents. All this keeps their expense ratio unreasonably high.

Agents have a number of shortcomings. They can't sell all kinds of protection, they don't settle claims, they place business in too many companies, and so on.

Mr. Kenney called the action of companies in retiring from the field of war risk on land after Pearl Harbor "a shameful retreat which they will be a long time living down."

Secretaries Group Holds Tenth Anniversary Dinner

NEW YORK—The executive secretaries and managers of state associations and boards, with Waldo O. Hildebrand, secretary of the Michigan association, as chairman, celebrated their tenth anniversary with a dinner Monday evening, attended by more than 40. Drexel G. Foreman, secretary of the Texas association, told of the first meeting of seven secretaries at the Philadelphia meeting of the N.A.I.A. in 1932, and reviewed the growth in numbers and in influence in the first decade. The secretary of secretaries, Mrs. Lillian L. Herring of Illinois, told of many unfinished items of business of vital interest and concern to the American agency system. While a unanimous opinion was expressed for the need of unity in all capital stock insurance groups, the secretaries want closer cooperation and better coordination between the companies and company bureaus on the one hand and the local agents on the other. Many speakers emphasized the need of strict economy, during the emergency, individually and as organizations.

Chairman Hildebrand was asked to appoint an advisory board which will take up for planned action some of the most urgent problems facing the local agents and this board is authorized to meet and confer with any other insurance groups or organizations deemed advisable in order to obtain for local agents their proper place in the fire and casualty insurance picture.

Paul Hardesty, manager of the insurance department of the United States Chamber of Commerce, was a guest at

Blackall Group's Recommendations

Zone 1 Commissioners Agree on Formula for Compensating Examiners

HARTFORD—Insurance commissioners of Zone 1, including the New England states, New York, and New Jersey, meeting in Hartford with Commissioner Blackall, agreed that steps should be taken to reduce the current costs of convention examinations now required by the National Association of Insurance Commissioners. The Zone 1 group will bring the subject to the attention of the N.A.I.C. subcommittee on convention examinations.

Specifically to be recommended is that instead of the customary allowance of \$25 per day and expenses, the fee for participating examiners be allowed at the customary departmental salary plus 20 percent and a reasonable living expense. Present procedure of the zone examining system is to call in representatives from insurance departments of states in other zones.

War Damage Insurance

Guy Beardsley, vice-president of Aetna Fire, and a representative of the stock fire company industry's committee on wage damage insurance, outlined the present status of the conferences with the RFC on war damage insurance. He indicated that the companies are prepared to participate up to a certain point in carrying this class of risk and will act as fiduciary for the government. The subject of commission was not discussed.

Perrin C. Cothran of Phoenix of Hartford reported on the progress of negotiations with insurance commissioners in the west on the allocation of a certain amount of marine insurance premiums for tax purposes. The commissioners favored the adoption of a uniform procedure, such as may be possible under various state laws. It is the variations in these which have caused dissatisfaction, and which led western commissioners to take up the subject.

Another subject discussed was the advisability of adoption by the N.A.I.C. of a uniform and standard eligibility requirement for the appointment of departmental examiners. The consensus was that the qualification for examiner appointee should be at least five years experience in insurance work or its equivalent.

The group went on record in favor of the use of renewal certificates instead of issuing new policies upon expiration, both as an economy move for the companies and as a means of cooperating in the campaign to conserve paper.

Hartford insurance executives entertained the visiting commissioners at lunch at the Hartford Club. Those present included Superintendent Pink and Deputy Superintendent Edward McLoughlin of New York; Commissioner Harrington of Massachusetts; Commissioner Morin and Chief Examiner F. T. McGovern of Rhode Island; C. A. Gough, deputy commissioner in New Jersey; Commissioner Rouillard of New Hampshire; and Deputy Commissioner Albert G. Pingree of Vermont.

Among the Connecticut officials attending were Deputy Commissioner Thomas B. Curry, Chief Actuary Russell O. Hooker, and Frank Dole, executive secretary to Commissioner Blackall.

Wilbur G. Jenkins, special agent of Standard Fire of New York in Chicago, was notified by the Navy department this week that his son, Jack W., pharmacist's mate, second class, was missing in action in Bataan, P. I. The youth enlisted in the navy three years ago.

the dinner and he expressed pleasure in seeing the determined desire of the paid secretaries to promote, protect and improve the welfare of the agents.

Some Pertinent Comments Made on Marine Business

War has stimulated business in the inland and ocean marine fields, Mark V. Campbell, manager of the western marine department of Automobile, told members of the Cook County Field Club at a meeting in Chicago. Mr. Campbell made some timely and significant observations on marine underwriting and the conditions it faces today.

If it were not for the fact that fire insurance is included in the personal property floater, this line would not be profitable, Mr. Campbell stated. The losses other than fire would put the line in the red.

This floater is a bargain in today's market, he said. It is a streamlined policy in keeping with the trends of the time, and permission is being granted to write it by more and more states.

May Apply Deductible

However, Mr. Campbell feels that it is being oversold by agents with respect to coverage and undersold in regard to premium. The agents are writing it too often at the minimum. One of these days the companies may have to apply a deductible to get rid of the small nuisance losses, such as cigarette burns.

Mr. Campbell said he did not think sales of the personal property floater would diminish during the war emergency because of increased taxes, the effect of priorities, etc., at least for another year or two.

Some inquiries have been made as to whether or not the floater policy covers spare tires. "We interpret it as excluding appurtenances of the automobile," he said. Some companies have informally committed themselves to the view tires are covered.

Bicycles are covered, and he said he had received a number of inquiries for specific bicycle insurance, which, of course, the companies write reluctantly, and this indicates that a lot of people do not realize bicycles are protected under the personal property floater.

Observing Fire Rates

The fire and casualty people have criticized those in the marine field for taking over some of their business, Mr. Campbell commented. This criticism has had one effect, that of committing those in the marine field to write protection on risks for which there was no coverage before. The definition of marine insurance is now pretty clear, and on the whole today the marine people are observing fire rates. He pointed out that in Wisconsin the department recently asked that the marine companies file rates and forms with the department because some of the things that were being done marine-wise were unorthodox, but the companies agreed to police themselves, and it was left that way.

There is a tremendous amount of business being written under the builders risk form by marine companies for shipyards building merchant ships. This is true on the sea coasts and on the Great Lakes. The result is a heavy concentration of liability in these yards, but the underwriters have secured a spread of liability via participation in the Builders Risk Syndicate. In connection with this business, the underwriters take the fire rate of the yards, divide it by two on the theory that they have 50 percent fire exposure, and then add charges for the launching, riot, trial run, delivery, and other marine hazards.

Marine Business on War Contracts

Not infrequently today the marine underwriters are being called upon to write specific insurance in connection with war contracts, covering goods sent to contractors, equipment moving to sub-contractors, etc. These are eligible for marine insurance if the government insurance requirement is for all risks and if the bonding company which bonds

the contractor requires an all risks policy. In some cases the government requires the contractor to furnish insurance against fire and all risks, and in others insurance against fire and other lines usually insured against, which means fire and extended coverage.

A big source of premiums for the marine companies today is the movement of goods by truck from one end of the country to the other. Many of these truckers have had the business grow by leaps and bounds. Concerns that formerly hauled automobiles now are hauling gun carriages, airplanes and airplane motors. On some loads truckers have been required to carry as high as \$150,000 limits per truck, compared with a normal limit on automobiles of approximately \$5,000. It is surprising, Mr. Campbell said, to find some trucking firms offering to carry airplane motors at the automobile rate. The underwriters have to have a good deal more premium because the liability may be 20 times as much.

The ocean marine market is much im-

proved over what it was during the last war, he said. Through the American War Risk Reinsurance Exchange rates are stable and cover is available immediately. In the last war the shipper had to consult with his broker, who then went to his companies. By the time he got the cargo covered, he had a number of different companies on the risk at different rates. One load, Mr. Campbell recalled, started out at \$1.50 and ended at 55 percent on the last part of the load. Under the setup in the present war, the agents have everything to their advantage. They get 12½ percent commission, wherever they may be located, and the stuff goes through the exchange without much work on the agent's part.

There was some profit on the war risk business prior to the submarine campaign, but during that period the exchange was building up a reserve for the time, which its officials foresaw, when the sinkings would come close to home.

A fire underwriter recently commented in connection with war risk on land that where the assured deliberately exposes himself to a hazard, he leaves the realm of insurability. In the marine business, Mr. Campbell pointed out, the companies insure ships going into the war zone and the lives of the men on the ships, in the regular course of business.

Mr. Campbell believes there will be

Mutual Agents of New York Hold Annual Conference

Walter C. Taylor of Rochester was reelected president of the Mutual Insurance Agents Association of the State of New York at its annual meeting in Syracuse. About 100 attended. E. F. Wright of Valley Stream is first vice-president and Edgar L. Peard of Buffalo, second vice-president. C. G. Hunter of Moravia is secretary.

P. L. Baldwin, executive secretary of the National Association of Mutual Insurance Agents, gave a talk. There was a forum discussion on premium financing with Henry A. Smith of Utica presiding. N. C. Flanagan, vice-president of Lumbermen's Mutual Casualty, gave a talk on "Future Position of the Mutual Agent and the Value of Agents Associations." Joseph E. Magnus, president of James S. Kemper Company, Chicago, was scheduled to appear on the program but was stricken with pneumonia and was taken to the City Hospital in Syracuse.

almost as much pleasure craft business on the Great Lakes and the nearby rivers in 1942 as last year. This will not be true on the sea coasts, where the operation of such craft will be limited by military consideration.

YOU NEVER KNOW WHO'S LISTENING

IT is the duty of every insurance man and woman, as it is the duty of every American, to be particularly careful what he says and where he says it. The insurance business is so closely interwoven with manufacturers of essential army and navy supplies, that it is natural those in the insurance business frequently know in advance of new plants, additional employees, vital machinery about to be installed, and similar information. Engineers, inspectors and claim men have intimate knowledge of men and machinery in many a plant which is a cog in the wheel of the machinery which is making America the Arsenal of Democracy. Don't tell all you know. Don't repeat any information about any risk in any public place. Don't give the enemy the tip-off. You never know who's listening. Your best friend may be the sort of a person who likes to show off his knowledge, acquired from you, by saying, "Why an insurance man told me just the other day . . ." Get the proper information to the proper authorities as promptly as possible. *But make absolutely sure it gets nowhere else.* Such warnings have appeared before and will appear again. They should be repeated again and again and again.

You Never Know Who's Listening



THE EMPLOYERS' GROUP

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NEWS OF FIELD MEN

Firemen's Makes Minn. Changes

MINNEAPOLIS—Austin B. Caswell, Twin Cities service office manager of the Firemen's group the past three years, has bought an interest in the John W. Ross agency in Minneapolis and has already taken charge as manager. The Ross agency has specialized in accident and health and has built up a large business in that line and this will be continued, but Mr. Caswell plans



AUSTIN B. CASWELL

to make it a multiple line agency. Offices will be in the Northwestern bank building. Robert W. Ross, who has headed the business since the death of his father a few years ago, has been called into military service.

Mr. Caswell is widely known in Minnesota. Entering the insurance business in 1923 with the Fire Underwriters Inspection Bureau, he joined the Jones-David agency 3½ years later and in 1931 he organized the insurance department of the David P. Jones Co., continuing with that firm until he joined Firemen's three years ago.

Mr. Caswell has been active in local board and state association affairs, serving as president of the Minneapolis Underwriters Association and also as president of the Minnesota Association of Insurance Agents.

E. C. Erland, who has been state agent for some of the Firemen's companies in Minnesota outside of the Twin Cities, is placed in charge of the service office but he will continue to supervise the field outside and retains the title of state agent. He has been with the companies about six years.

H. A. Davidson of Minneapolis, state agent for Keystone Underwriters and for the casualty companies, has resigned but has not announced his future plans. He has been with the companies about 12 years.

American Revises Field Work in Southern Ill.

With the resignation of Special Agent Lawrence McIlwain, who has been traveling southern Illinois for American of Newark, effective May 1, American is readjusting its field work in Illinois.

The present field office will be maintained at 820 Pierce building, St. Louis, but State Agent Harold W. Williams, who formerly traveled southern Illinois, will join with special agents Dean Snapp and Frank Nelson in handling Mr. McIlwain's territory. Mr. Snapp's headquarters continue at St. Louis and Mr. Nelson's at Quincy.

Hold Grand Nest Meet: Edmondson

INDIANAPOLIS—At the 35th anniversary dinner-dance of the Indiana Blue Goose, George E. Edmondson, Tampa, Fla., grand keeper, spoke briefly on the proposal advanced by some ponds that the annual meeting of the grand nest not be held this year as a conservation measure. Mr. Edmondson is definitely opposed to this, as he believes the order owes it as a mark of respect to the Canadian contingent and to C. J. Malcolm, most loyal grand gander, that the meeting be held in Toronto as planned.

He presented 25-year emblems to seven Indiana pond members: J. A. Bawden, Springfield; G. J. Burke, Scottish Union; D. D. Fitzgerald, Commercial Union; J. H. Hellekson, Springfield; P. J. Mangan, Royal; O. H. Rudy, Richmond, and Irving Williams, "Rough Notes." Nine others were qualified to receive this emblem also but could not attend. Several of these are out-of-town members, including F. W. Koeckert, U. S. manager Commercial Union, New

York; C. Claussen, London & Lancashire; H. W. Donnan, Hartford Fire; W. L. Leonard and R. G. McCullough, Fireman's Fund, all of Chicago.

About 150 attended the dinner-dance.

Thompson with State of Pa. in New England Field

The State of Pennsylvania has appointed Merrill N. Thompson state agent for Massachusetts, Maine and Rhode Island to succeed Leland E. Roaf, recently made assistant secretary at the home office. Mr. Thompson is a native of Amherst, Mass., and graduated from Cornell in 1921. He served in the navy during the last war, was in the Dean schedule department of the New England Insurance Exchange, special agent of Automobile and more recently an independent broker.

James Logan Is Advanced by Travelers Fire

James Logan, former special agent for the Syracuse and Albany territories of Travelers Fire with headquarters at Albany, has been promoted to assistant manager of those territories. Mr. Logan was born in Scotland, attended the celebrated George Heriot Private School for

Boys, to which he won a scholarship, and came to the United States when he was 16 years old. He became a citizen of this country at 21.

For a few years before joining Travelers Fire as a junior clerk in the western department in 1928, he had been engaged in the building trades in Hartford. At the home office he obtained experience in the inland marine, general fire, underwriting, brokerage, and engineering departments, and was specifically trained for the field in the eastern department where he was an assistant examiner. He was given the field assignment in 1937.

Farewell Dinner for Breshears

SALT LAKE CITY—The April dinner meeting of the Utah-Idaho Blue Goose was largely attended. It was in the nature of a farewell to H. R. Breshears, American of Newark, for years a field man in the intermountain territory, who has been transferred to Seattle. W. J. H. Montgomery, Home, most loyal gander, presided.

Zimmerman in Charge of Outing

R. E. Zimmerman, special agent of Commercial Union, is chairman of the entertainment committee of the Ohio Fire Underwriters Association and will be in charge of the program for its sum-



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mer meeting Cedar Point July 21-22. The Bureau field club has made no decision yet relative to its summer meeting.

Wisconsin Field Groups to Meet at Green Lake in June

MILWAUKEE—The Wisconsin Fire Underwriters Association will hold its annual summer meeting at Lawsonia, Green Lake, Wis., June 18-19, it was decided by the officers and executive committee here this week. President H. J. Girard, Providence-Washington, has appointed W. H. Berry, America Fore, chairman of the convention committee.

The Wisconsin Blue Goose will hold its annual meeting and splash at Lawsonia the night of June 17. The Wisconsin Fire Prevention Association also plans to hold its annual meeting at the same time.

The Wisconsin Insurance Club will hold a meeting shortly to decide on place and date for its annual meeting, according to H. W. Bailey, Dubuque Fire & Marine, president. The bureau field men will probably select identical dates and place as the association group, it was indicated.

At a meeting Saturday the Wisconsin members of the Blue Goose went on record as favoring the holding of the grand nest meeting this year as usual. It was decided to dispense with the Blue Goose club rooms that have been maintained for some years in Milwaukee, as a move in keeping with the wartime economy spirit.

Slate Estabrook for President

BOSTON—Harold M. Estabrook, special agent of Fire Association, is the choice of the nominating committee for president of the Bay State Club. The annual meeting and election takes place in May. Horace Darling, Norwich Union, is recommended for vice-president; L. J. Winston, Travelers Fire, for secretary, and Frederick J. Vennstrom, London & Lancashire, for treasurer.

The committee gave its report at the meeting that was addressed by Roger Kenney, insurance editor of the "United States Investor." The speaker was sharply critical of the insurance interests for their handling of the war damage insurance situation.

Discuss Prevention Presentation

At the meeting this week of the Ohio Stock Fire Insurance Speakers Association, T. J. Ocsek, Underwriters Service, gave a study and criticism of proper methods of presenting fire prevention to the public at special Civilian Defense Institutes. Phil Johnson, Scottish Union & National, presented Carl H. Roggenkamp, president Fire Prevention Association of Ohio, who presided. Next week Howard R. Underwood, Providence Washington, will lead a discussion of fire prevention and procedure blanks which have been proposed for use by plant personnel in civilian defense activities.

Train Air Raid Wardens

ATLANTA—An air raid warden training course has been launched here by a joint committee of the Georgia Fieldmen's Conference and the Georgia Blue Goose, headed by G. F. Price, engineer of the Southeastern Underwriters Association. R. L. Gatewood, J. H. Hancock, John W. Morris, Jr., Joseph Whitner, H. D. Cutter and C. H. Porter, S. E. U. A., are instructors. The classes meet every Sunday afternoon.

Peoria Puddle Makes Survey

Findings in the plant protection survey made by 18 members of the Blue Goose, including adjusters and field men, were revealed to Peoria officials at a luncheon.

The survey was a part of the plant protection program sponsored by the Association of Commerce and the

Fireman's Fund Changes Setup in Cincinnati

Charles N. Mullican, Jr., who has joined Fireman's Fund as special agent-engineer for Cincinnati and Hamilton county, Ohio, replaces John T. Even, who is being promoted to a more responsible position in the western department headquarters in Chicago.



Mr. Mullican graduated from Armour Institute of Technology in fire protection engineering in 1927. C. N. Mullican, Jr. Then he gained experience with the Kentucky Actuarial Bureau and later went with North America, the company from which he is resigning to go with Fireman's Fund.

Mr. Mullican's headquarters are in the Frederick Schmidt building. He will augment the services of Special Agent Kenneth J. Hoag, who will continue in charge of the southern Ohio territory.

Peoria-Pekin area defense council. Additional surveys are to be made.

Johnson to New Brunswick

New Brunswick Fire has appointed E. K. C. Johnson special agent in New Jersey. He has been for many years with the New York office of the Western Sprinkled Risk Association. Norman S. White, assistant secretary, is in charge of the Newark office of New Brunswick in the Federal Trust Co. building.

Discuss Minn. Outing Plans

The arrangements have not been completed for the summer outing of the Minnesota field men but a committee is now discussing the plans. The chances are that it will be held at the Pine Beach Hotel in Brainerd but that is not definite.

Kan. Speakers Bureau Meets

The speakers bureau sponsored by the Kansas stock fire insurance representatives held its first meeting in Topeka. Each member made a four-minute talk on fire prevention. The members of the bureau attended a 10-week course in public speaking under the direction of E. C. Buehler of Kansas University.

L. P. Marsh Is Promoted

Lynn P. Marsh of the Boston office of Home has been promoted to associate state agent.

"Cavalier Honker" in Virginia

William A. Jordan, Jr., state agent of the Royal-Liverpool group, Richmond, is editor of the "Cavalier Honker," official publication of the Virginia Blue Goose. In the spring issue, just off the press, Mr. Jordan urges the entire membership to buy war bonds.

Indiana Men to Hear Hedges

J. Edward Hedges, professor of insurance at Indiana University, will address the Indiana Fire Underwriters Association next Monday on "The Educational Movement as Related to Fire Insurance."

The annual meeting has been tentatively set for July 1-2 at Lake Wawasee.

Gray with N. Y. Underwriters

Byron B. Gray, who for many years was with the Indiana Inspection Bureau, has joined New York Underwriters as special agent in Michigan with headquarters in Detroit.

Charles L. Mehagan, Minneapolis, manager of Western Adjustment, will



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entertain the Minnesota Blue Goose at a luncheon meeting April 20 in Minneapolis with moving pictures which he took in Mexico.

The Kansas Fire Prevention Association will inspect Yates Center April 21.

The annual dinner-dance-bridge of the Sunflower Blue Goose puddle in Wichita, with the Auxiliary as guests, was well attended.

J. Virgil Richards, Nashville, special agent of Atlas, is mustering into service a new unit of the Tennessee state guard, of which he has been appointed commander.

Wisner and Wayne will be inspected April 23 and 24 by the Nebraska Fire Prevention Association. J. Burr Taylor, Western Actuarial Bureau, will be the speaker at a dinner meeting each evening.

Factory Mutuals Fight Federal Tax Move

(CONTINUED FROM PAGE 3)

mutuals of a portion of their investment income is brought about by an unusual formula which has been explained to us by Treasury department representatives as representing an attempt to divide the factory mutual insurance business into two parts and to deny the right to those companies of deducting all of the unabsorbed premium deposits returned to members. Any attempt to so divide the unabsorbed premium deposit into taxable and nontaxable portions has, we contend, no sound basis but is rather indicative of an approach to a tax problem that is theoretical at least and wholly impracticable."

Taxes Would Be Half Losses

Mr. Freeman said that applying the methods proposed by the Treasury to the operating figures of several companies would result in a tax 40 or 50 percent of the amount they have had in losses, "which is a ridiculous sum." He said that other companies perhaps because of having sold securities at a loss, would not have as high a tax but that if the secretary of the Treasury is looking for additional income there are other means of obtaining it.

At the conclusion of Mr. Freeman's prepared statements, Representative Treadway of Massachusetts questioned him on the deposit premium system. Treadway observed in connection with Mr. Freeman's statement that return of the unused portion of the deposit to the policyholders is not a profit, "I think there is a distinction without a difference, to a certain extent." At the suggestion of Mr. Freeman, Felix Hebert, counsel for the Associated Factory Mutuals, explained this distinction more fully.

Representative Cooper of Tennessee questioned Mr. Hebert, Mr. Freeman and R. H. Lord, secretary Manufacturers Mutual Fire, as to the surpluses which the mutual companies have built up. Mr. Lord said that as far as the factory mutual companies are concerned the surplus that has been set up in 10 years is just over \$5,000,000. Mr. Lord said he could also supply the information desired by Cooper as to the accumulated reserves of all the mutual companies over a 10-year period and also a statement of their losses during the same time. As for the amount of federal taxes paid during the same period, about which Cooper asked, Mr. Freeman pointed out that the companies are exempted from taxation by the Treasury department.

Cooper asked Mr. Hebert if the companies get a deduction on account of losses during the taxable year and also a deduction for the premium that they have retained for the payment of losses and expenses. Mr. Hebert replied affirmatively but disagreed with Cooper's conclusion that this constituted a double deduction.

"Over a given period there is an ac-

Gleanings from Agents N. Y. Rally

A number of companies had headquarters during the mid-year meeting of the National Association of Insurance Agents in New York but they were operated on a more conservative basis than usual. It appears that the National association suggested that the accustomed practice might be eliminated. However, when it was announced that National Surety would provide a boxing match Monday evening other companies felt that they should participate to a small degree at least in the festivities.

The new South Carolina insurance commissioner, L. G. Benjamin, was present at the convention and made his first official appearance at the meeting of the southern territorial conference Monday morning. He was introduced by the chairman, Broadus Bailey, Greenville, S. C., southern chairman. Henry Brown of Columbia, state association manager, acted as secretary of the meeting and therefore South Carolina was well to the fore.

Wives of the officers and executive committeemen of the National association were guests of Mrs. Eleanor Bennett Wrensch, daughter of General Counsel W. H. Bennett, at a luncheon and theater party Saturday.

P. J. Priore, assistant U. S. manager, opened headquarters for Sun. United States Manager Elliott Middleton was present part of the time.

L. D. Engberg, St. Paul, president Minnesota association, had a difficult time getting to the convention. Mrs. Engberg has been seriously ill all winter with a thyroid condition. She made an excellent recovery, but last week developed a dangerous carbuncle, which was checked just in time for Mr. Engberg to leave. To add to his troubles, Mr. Engberg's oldest daughter developed measles and his office girl was taken sick last week, so it was touch and go until he finally was able to leave.

National Surety provided an entirely new feature in entertainment for an insurance convention in that it gave a prize fight party in the ball room Monday evening at 9 o'clock. President Vincent Cullen and his associates were out in full force.

The advisory committee consisting of national ex-presidents held a luncheon meeting Monday presided over by Sydney O. Smith, Gainesville, Ga., immediate past president.

The Royal-Liverpool groups combined headquarters for all the fire and casualty companies for the first time, utilizing an imposing suite of four rooms. Clarke Smith, assistant manager brokerage and service department at the home office, arranged the quarters, following his customary assignment. United States

cumulation of deposits which belong to the policyholders, and which ultimately must be returned to them," Mr. Hebert explained. "You will find that by taking the actual amount that remains in their deposit, less what has been used on account of losses and expenses, that amount will figure somewhere in the neighborhood of 90 percent of the deposits so an allowance must be made for that because the company may be called upon at any time for the money by the policyholders."

"But they get a double deduction," Cooper remarked.

"There is no double deduction there."

"They get a deduction for losses."

"Yes, sir."

"And on so much of the premiums as they deposit to take care of future losses they get a deduction."

"Yes sir. That is an obligation and in conducting the business they may be called upon to pay out that money. Ultimately it must be paid out, either through losses and expenses or in unabsorbed premium deposits of their members."

"You say that is not a double deduction."

"No sir."

Cooper also took issue with Mr. Hebert's comparison of a deposit premium with a bank deposit, saying that

Manager Harold Warner and Presidents F. J. O'Neill and Kenneth Spencer of Royal Indemnity and Globe Indemnity were on hand. Other officials in attendance throughout most of the convention were H. C. Conick and E. W. Hotchkiss, assistant U. S. managers; J. L. Erhardt, executive regional manager of the fire companies; Hiter Atkins, executive representative; E. G. Grolz, agency supervisor; H. J. McCloskey, burglary superintendent, from Globe Indemnity; T. L. Bean, production manager Royal Indemnity, and M. W. Slawson, production manager Eagle Indemnity. Ladies who visited the headquarters were presented with gardenias.

George E. Edmondson, Tampa, president American Association of Insurance General Agents and a grand nest officer of the Blue Goose, was a prominent visitor.

Walter Weiss, executive general agent, maintained headquarters for London Assurance and passed around "V" lapel emblems.

J. Dillard Hall, Baltimore, assistant agency director U. S. F. & G., and C. B. Gamble, vice-president F. & G. Fire, had joint headquarters for their companies.

Zurich was represented by H. H. Fuller, deputy U. S. manager, and E. J. Savage, executive special agent, from the U. S. head office at Chicago, and R. V. Branion, New York manager.

Corroon & Reynolds had elaborate headquarters, in charge of E. S. Inglis, vice-president in charge of the agency department, assisted by A. W. Butler and J. R. Barry, vice-presidents, H. J. Thomson, R. R. Wilde and R. R. Chapman, secretaries, and Dean Haggerty, manager automobile department.

A quartet of company advertising and publicity managers outside of New York had ringside seats at the boxing matches staged by National Surety Monday evening, they being S. F. Withe, Aetna Casualty; Charles Freeman, Springfield F. & M.; C. A. Palmer, North America, and R. C. Dreher, Boston and Old Colony.

A former president who seldom attends the agency conventions these days shook hands with old time friends Monday, he being Fred J. Cox of Perth Amboy, N. J. He was chairman of the executive committee when E. M. Allen was president. When Mr. Cox was president, the late James L. Case of Norwich, Conn., was executive committee chairman. This constituted the mighty triumvirate in what might be termed the rejuvenation or modernization of the organization.

North British maintained headquarters in charge of George H. Duxbury and John L. Mylod, assistant U. S. managers, assisted by H. B. Standen, A. E. Murdoch, T. J. Sutherland, R. T. Stewart, R. L. Mouk, A. W. Barthelme and A. E. Lehman, secretaries, and W. J. Traynor, advertising manager. United States Manager Cecil F. Shallcross was present part of the time.

"in the case of a man who deposits \$1,000 in a bank, he can go to the bank at any time he wants to and draw out the \$1,000 but if he pays \$1,000 in premiums to your company he cannot draw out that \$1,000." Mr. Hebert agreed that the insured would have to pay his share of the losses and expenses.

"Then, I cannot see any comparison between a bank and one of these insurance companies," said Cooper. Mr. Hebert agreed that they might not be under the same law but contended that there is an analogy.

H. P. Cooper appeared on behalf of the National Association of Mutual Insurance Companies, of which he is secretary. Mr. Cooper traced the federal tax statutes and Treasury regulations affecting mutual companies and declared that "to disturb the status these mutuals have had for the past 18 years would create confusion and serious hardships which would probably require many years to overcome."

The committee received for the record a statement made in behalf of National Mutual Church of Chicago by its president, W. J. Cox, protesting against the proposed change and expressing the view that if the law is revised provision should be made specifically exempting church mutual companies so that these

Sues for Extra Expense Entailed by Building Code

MADISON, WIS.—The Wisconsin supreme court has upheld Circuit Judge Hoppman of Dane county in overruling a demurrer by four insurance companies in an action brought by Teresa Rood, manager and operator of the Stratford Apartments here. The building, partially destroyed by fire in July, 1939, was insured for \$16,000 by Badger Mutual Fire, \$16,500 by Sentinel Fire, \$25,500 by Merchants, and \$8,000 by Implement Dealers Mutual Fire. The companies paid \$35,796 on the fire loss.

Fireproofing Required in Rebuilding

The owner seeks an additional \$4,364 under the demolition clause for cost of repair work required by building code regulations. The companies claim they are not liable for increased costs to any part of the building damaged by fire which required fireproofing ordered by building code authorities. The supreme court held the demolition rider was ambiguous and that in applying a liberal rule of construction, full protection would be afforded the policyholder. The lower court will now decide if the additional amount should be paid by the companies.

There have been occasional suits of this kind in the past in Wisconsin and elsewhere, and the courts generally have held that companies are not liable for payment of a value that was not a part of the property when it was insured. Such value represents a contingent liability and was not contemplated in the contract. It not infrequently happens that a building is older than a zoning ordinance or some other municipal regulation, and the owner has to meet the higher standards when rebuilding after a fire or windstorm.

Credit Manager Needs to Protect His Records

SAN FRANCISCO—Expressing mild criticism of the fire companies because they eliminate coverage from policies where damage results from war activities, A. P. Lange of Hale Brothers store advised credit managers of San Francisco stores to buy insurance, particularly for the protection of records.

"In the case of the credit manager," he said, "it has long been realized that the destruction of the records of his department must result in loss to his principals. Such loss can be covered by insurance through the medium of an accounts receivable policy, insuring losses due to inability to establish the identity of debtors and the amount of indebtedness in each case. In some instances provision is made for reimbursing the policyholder for the cost of reproducing the destroyed records where there is some means of so doing."

"Some of you may be under the impression that losses due to destruction of your records may be covered by insurance provided or to be provided by the federal government. If so, let me call your attention to the fact that such is definitely not the case."

"Obtaining broad accounts receivable insurance will depend upon your cooperation in safeguarding your records, to the end that the insurance company may salvage as much as possible of any loss you may sustain and for which it has reimbursed you."

Mr. Lange spoke at a "consumer credit clinic" conducted by the Retail Credit Association of San Francisco.

companies "may continue in their helpful and greatly needed service to our American communities."

The Sioux Falls, S. D., Blue Goose Luncheon Club heard E. R. Zimmerman, sales promotion manager of International Harvester Co., who showed moving pictures. Miner Shaw, county chairman of the sales campaign of war bonds, was a guest.

IN U. S. WAR SERVICE

Ryland J. Rothschild of Val & H. J. Rothschild, one of the older St. Paul agencies, has joined the air corps as a captain.

Arthur Clements, vice-president of Mid-States and Mid-America, the insurance company subsidiaries of General Finance Corp., Chicago, will be inducted into the army May 1. He was in charge of underwriting for the companies. Previously he was with Central West Casualty of Michigan.

F. W. Dunn, president of the Union of Indiana, has been commissioned a major in the army air corps and has reported to Maxwell Field, Montgomery, Ala. He served overseas in the former war for about a year. He has been granted leave of absence by his company. Secretary J. Ray Hull has been given the title of "executive officer."

John G. Cornish, member of the firm of Field & Cowles, Boston, and son of John J. Cornish, senior member of the firm, has been appointed an ensign in the navy and reports for duty April 16.

Edward T. Miazza, manager of the New Orleans office of the Fire Companies Adjustment Bureau, has received a commission as second lieutenant in the army air corps. Mr. Miazza has been in the adjusting field in Louisiana 14 years. He is custodian of the Louisiana Blue Goose. He is a son of the late James F. Miazza, long prominent in the adjusting field and a brother, James, is assistant general manager of the southwestern department of F.C.A.B. Associates in the New Orleans office presented him a military toilet set.

Don Karnes, who has been with the Illinois insurance department for eight years, has gone into service with the navy as a lieutenant, junior grade, at the Great Lakes naval training station. Mr. Karnes formerly coached at Trinity High School at Bloomington, Ill., and at the Illinois Wesleyan and State Normal universities.

John G. Street, in charge of the bonding department of Fidelity & Casualty in Dallas, has left for Norfolk, Va., to enter service in the naval reserves. He is a son-in-law of T. Ray Phillips, Oklahoma state agent of America Fore.

J. I. Teague, formerly an attorney for the National Board in Little Rock, has returned to army service after an illness of several months. At the time of his release he was a first lieutenant of the 154th Observation Squadron.

Melvin R. Swanson, manager eastern department F. Kenneth Hinton & Associates, marine underwriters, Chicago, was inducted in the army air corps and is stationed at Camp Upton.

R. G. Vedeler, Massachusetts special agent of Springfield Fire & Marine, has returned to the army as first lieutenant. He will be in the same unit with First Lieut. Robert T. Cairns of Providence-Washington, who entered service recently.

M. R. Conrad, staff adjuster for Underwriters Adjusting at Youngstown, O., has been inducted into army service.

J. F. Gibson, former Oklahoma assistant commissioner, who joined the air corps as lieutenant about nine months ago, has been transferred to Santa Ana, Cal., and promoted to captain.

Louisiana insurance men recently called to the colors include: E. A. Conway, chairman of Louisiana Casualty & Surety Rating Commission, lieutenant junior grade, navy; Wm. Ward, engineer America Fore, New Orleans, lieutenant junior grade, navy; John A. Buchanan, engineer Louisiana Rating & Fire Prevention Bureau, New Orleans, ensign in navy; Roscoe Bolton of Alexander & Bolton, Alexandria, lieutenant junior grade, navy.

William Needham of the San Francisco city department of Pacific National Fire has joined the marines.

W. T. Shirley of Chicago, western special agent for New York Underwriters, has reported for duty with the De-

fense Plant Protective Service which is connected with the Air Corps, in Detroit. He has been granted a leave of absence by New York Underwriters. He has been with that company about 12 years, first in the head office about five years, then in the Iowa field four years and for the past three years has been western special agent with headquarters in Chicago. He is a graduate of the Columbia University fire insurance course, having been a scholarship student there.

C. G. Haake, Jr., one of three sons associated with C. G. Haake in his local agency in Kansas City, entering army service early this year, is now on office work in the induction station, Ft. Crook, Neb.

Fred V. Griffith, Jr., son of Fred V. Griffith of W. B. Johnson & Co., Kansas City, has been promoted to captain in the army air corps administration at Lowry Field, Denver. Before going into the army he was associated with his father in the insurance firm. **John Ransom** of the same agency has been promoted to lieutenant-colonel in the army air corps, stationed at Midland, Tex.

Robert Hoel and **Gilbert Morris**, automobile underwriters for Aetna Casualty in Kansas City, are in the army now.

Among those believed to be in the vicinity of Bataan when it fell was **Capt. Lloyd E. Wagner**, marine corps, for a number of years claims supervisor of Occidental and Fireman's Fund Indemnity in Oregon. He entered active service in November, 1939. He was first assigned to Shanghai, later going to Olangapo, and finally to the Cavite naval base.

Paul Johnson of Chicago, farm department engineer for America Fore, is now in active army service as a first lieutenant attached to the quartermaster corps in Chicago. He was a reserve officer.

W. K. McKnight, vice-president of the Paul C. McKnight Company, Pittsburgh, has been commissioned a lieutenant-colonel in the army. His nephew, **Paul C. McKnight Jr.**, is a first lieutenant in the army.

Charles C. Liscomb, son of Charles F. Liscomb of Duluth, former president National Association of Insurance Agents, has enlisted in the aviation corps and is now at Kelly Field, San Antonio. He was stationed at Minneapolis, being special agent for U. S. Fidelity & Guaranty.

William E. Odell, special agent of Massachusetts Bonding in charge of claim work in the St. Louis office, has reported for duty at Quonset Point, R. I., as lieutenant, senior grade, in the navy.

Ky. Ruling on Agents in Armed Services Recalled

In view of the current interest in the question of preserving the business of local agents that enter the armed services it is interesting to recall that as far back as Sept. 25, 1940, Insurance Director Goodpaster of Kentucky got out a bulletin on the subject that was addressed to insurance companies and agents. Mr. Goodpaster at that time announced that a licensed agent who is called into the armed services, may file with the Kentucky department a power of attorney properly executed and recorded, to any person suitable to the interested insurance companies and acceptable to the insurance director. Such a person would perform for the agent and in his behalf without the necessity of procuring licenses or paying any fee. Mr. Goodpaster at that time also recommended that all Kentucky municipalities permit such designated persons to operate without paying a privilege or occupational tax. The director also recommended that the agency organizations in the state recognize such power of attorney and permit the designated person to operate without paying any additional cost whatsoever.

Recall Old Renewal Slips

NEW YORK—With the question of issuing renewal certificates in place of new fire insurance policies much to the fore just now, it is interesting to recall that renewal certificates were in use in New York and presumably in other sections of the country for over a century, and even longer in Great Britain. As far back as 1814 Mutual Insurance Company of the City of New York was renewing its policies through use of receipts and in the early '60s the practice was still followed. The customary form of certificate given assured read:

"Received of dollars being the premium on dollars, insured by Policy No. which is hereby extended in force for to wit From the day of, 186- at 12 o'clock M. Not valid unless countersigned by, agent of this company." Signatures of both the president and the secretary of the company were then affixed. A footnote stipulated that "endorsements must not be made on this receipt, but on the policy itself."

A provision of the old standard New York policy in use until 1918 when the

present revised form was adopted and from which the clause was deleted, stated: "This policy may be continued under the original stipulation in consideration of premium for the renewal term, providing that any increase in hazard must be made known to this company at the time of renewal, or this policy shall be void."

Though it is not clear why the use of renewal certificates was eliminated by framers of the standard policy form in 1918, it apparently resulted from the practice of agents noting changes in the contract on the receipt certificate, and failing to advise the insurers.

The certificate form recommended by the New York department at this time is more impressive in form and content than any previously used.

Farewell Dinner for Carbone

St. Louis agents of the Corroon & Reynolds companies attended a farewell dinner for Dario Carbone, special agent in charge of the St. Louis office, who was inducted into the army at Jefferson Barracks, Mo. Jack Swisher, Missouri state agent, arranged the dinner.

For the time being, at least, the business of the St. Louis office will be handled out of the Kansas City headquarters of Mr. Swisher.

GUARDIANS OF THE SEA

In 1858 the tallest of the reef lighthouses was completed on Sombrero Key, thirty-eight miles east of Key West, Florida. A graceful iron tower, it stands in five feet of water and is supported by nine wrought-iron piles. Keepers of this lighthouse live in quarters carried within the skeleton tower on a platform thirty-seven feet above the water. Report and plans for the construction of Sombrero Key Lighthouse were prepared by Lieutenant G. G. Meade, later to become the General Meade who commanded at Gettysburg. The structure and illuminating apparatus for the tower cost about \$120,000.

As ocean travel became more prevalent, new lighthouses were built and old ones remodeled to give maximum protection on the water. Contributing its share toward preventing loss to ship and cargo, marine insurance has kept pace with the demand for more complete and widespread protection against hazards of the sea. Appleton & Cox, Inc., specialists in this field for nearly three-quarters of a century, maintains a world-wide organization, always ready to assist to the limit on all ocean and inland marine risks.



SOMBRERO KEY LIGHT, FLORIDA

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BRANCHES IN PRINCIPAL CITIES

S.E.U.A. Promulgates Numerous Changes in Rules and Regulations

ATLANTA—The Southeastern Underwriters Association has revised its rules to permit the attachment of the fall of building clause waiver to fire policies without additional charge.

The revised fall of building clause waiver reads: "The provision in this policy that if the building or any part thereof falls, except as the result of fire, all insurance by this policy shall immediately cease, is hereby waived; provided, however, that this company shall not be liable for loss caused by the fall of any portion of said building from a cause other than fire, unless fire ensues, and then for the loss by fire only. In no event shall this company be liable, however, for an amount exceeding that proportion of the loss for which it would have been liable under all the terms and conditions of this policy had the fall not occurred."

New Electrical Clause

A new lightning and electrical apparatus clause is being promulgated for use on policies covering dwellings, not exceeding four-family units, including outbuildings and on farm property. This new clause assumes liability for losses or damage to electrical appliances and devices, including wiring, caused by lightning, whether or not fire ensues. Loss or damage to electrical appliances or devices, including wiring, caused by electrical current generated artificially is not covered, unless fire ensues, and then only for the loss or damage from the ensuing fire.

To relieve agents of the inconvenience of having to attach a separate endorsement to all dwelling house and household furniture forms and farm property forms, the new lightning and electrical apparatus clause will be read into all the old forms attached to policies having inception date on or after April 13. As the forms are revised the new clause will be included therein.

Reinstate Per Diem Forms

S.E.U.A. has reinstated the per diem business interruption insurance forms which formerly were used in the territory. The reinstatement was made for those few who might wish to use such forms rather than the co-insurance or the weekly forms. Four per diem forms are provided for manufacturing risks and for mercantile and non-manufacturing risks in steady operation and for those having seasonal operations or fluctuating earnings.

The per diem forms take 70 percent of the building rate for the manufacturing risks, and 65 percent of the building rate for the non-manufacturing class. Otherwise, general rules for writing business interruption apply.

Single state reporting Form B, which has been used for insuring seasonal risks has been discontinued, although the rules governing the writing of the form have been retained in greater part. The new Form A has been worded in such a manner that it can be used for writing the seasonal risks. The notice points out that inasmuch as the rules for writing stock in any manufacturing building, regardless of whether it is seasonal or not, specifically state that "stock only" can be insured, it will be necessary for the first item of Form A to be adjusted by excluding furniture and fixtures and machinery.

New Grain Form

An entirely new reporting form has been adopted for writing grain risks. Two methods of premium adjustment are provided, the assured to select the manner of adjustment desired at the inception of the contract. One provides: "At the close of and on a specified day of each week the insured shall furnish a statement showing the total daily average value for the seven preceding days in all locations. The average of such weekly statements shall consti-

tute a monthly value and amount of insurance, and the sum of such monthly averages of value and insurance, divided by the number of months as they elapse, shall determine at the end of each month the actual average amount of value and insurance for the period which has elapsed."

Under the other method, insured gives a statement at the close of business each Wednesday showing the value at all locations at that time.

Oil Risk Minimum Set

A minimum provisional and final premium of \$100 for less than five locations is required of oil risks under reporting cover and \$500 provisional and \$300 final premiums for more than five locations.

Private greenhouses now carry the same fire rates as the main dwelling.

The former rule requiring use of either a co-insurance clause, or a specific amount of insurance, on typesetting and printing office machinery, is eliminated, such machinery now being subject to rule on co-insurance or three-fourths value clauses.

The special permit for use of carbon bisulphide as a fumigant is withdrawn. Use of only such fumigants as have been tested by Underwriters Laboratories is recommended.

Fencing and property line walls on the premises of dwellings, other than farm, may now be insured with the dwelling and at the dwelling rate. This is an amendment in the Florida wind-storm schedule. Also solar water heating apparatus, used principally in Florida, may now be insured at the building rate if insured with the building to which it is attached.

NEW YORK

NATIONAL BOARD JUDGES MEET

The board of judges to select gold medal awards of the National Board to press and radio for public service in the field of fire prevention, had a meeting in the office of General Manager W. E. Mallalieu and their decisions will be made public in May. The medal was designed by Rene Chambellan. The other judges are J. W. Brown, president of "Editor & Publisher"; J. R. Fieser, vice-chairman in charge of domestic operations of American Red Cross; A. W. Hawkes, president U. S. Chamber of Commerce and Alvah Small, president Underwriters Laboratories.

BROKERS ASSOCIATION LUNCHEON

The speaker at the annual luncheon of the Insurance Brokers' Association of New York, April 28 will be Frederick Snyder, newspaper correspondent and radio commentator. Mr. Snyder is a close friend of A. W. Jenkins, chairman of the luncheon committee.

BRITAIN'S HIGHER LOSS RATIO

The "Review" of London states that the year so far has been an unfavorable one for fire insurance as losses of £1,000 or over are twice that of the similar period last year. The puzzling part about it is that the increase is not due to major losses of £10,000 or over so that for the first time probably in some years the cost of fires between £1,000 and £10,000 is far heavier than that of major fires of £10,000 or over.

The "Review" says that this thought possibly lends color to the belief that too little attention is paid to the vital problem of guarding against a loss from fire in the national interest. Much more attention, it says, should undoubtedly be paid to fire protection.

Order four copies of Albert Hirst's "When a Man Dies" for \$1 from National Underwriter.

More Witnesses At Mo. Hearings

More Chicago insurance executives are appearing at the insurance hearings being conducted in Jefferson City by Missouri's Attorney-general McKittrick.

S. M. Buck, vice-president of Great American, was on the stand Monday and Tuesday of this week. He was scheduled to be followed by George N. Porter, manager Western Sprinkled Risk Association, and Harry L. Grider, manager of Western Factory Association. It was a little uncertain as to whom McKittrick would call next week because he has excused many of the insurance executives who will be attending the Western Underwriters Association meeting in Atlanta.

Hammers at Anti-Trust Angle

Last week E. A. Henne, vice-president and western manager of America Fore, and C. H. Smith, associate western manager of Hartford Fire, appeared. E. H. Born, assistant manager of Western Underwriters Association, was on the stand the previous week.

McKittrick is still hammering on points which he hopes will show that companies are operating in Missouri in

violation of the state anti-trust statute. His theory is that the rating law, which the companies contend they have been observing, and the anti-trust statute are in disagreement, and that the anti-trust statute takes precedence.

It is pointed out that the companies can hardly be penalized for obeying a law applicable to their business, though it is proved that another law of general application is violated.

Witnesses have continued to make the point that they are following out the rating law in their practices of doing business in Missouri.

War Gives Women Wider Chance

ATLANTA—Some interesting slants on the effects of the war on the local agent were given by J. C. Dunlap, vice-president Atlanta Association of Insurance Agents, in a talk before the Atlanta Association of Insurance Women. Mr. Dunlap heads one of the largest agencies in the south, and has been a close student of insurance production problems and personnel. He stressed the expanding opportunity for the women in the insurance offices.

Gus Steppacher of the General Tire Company is addressing the Anthracite Field Club in Scranton, Pa., on the tire situation, April 21.

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AS SEEN FROM CHICAGO

MEMORIAL FOR G. M. EDDY

Memorial services were conducted in the offices of the Insurance Brokers Association of Illinois for the late George M. Eddy of Chicago, who was the first president of that organization and who died just a few weeks ago. Arrangements had been made to issue to Mr. Eddy for 1942 broker's license No. 1 in Illinois but he died just a day or two before he was to have been presented with the license at ceremonies in the Chicago office of the Illinois department. However, the license was drawn in his name and the decision was to keep license No. 1 open in his memory during the year. Presentation of the license was made by Arthur Smith, head of the Chicago office of the insurance department, to Sprague Eddy, one of the four sons. Also there was presented to Sprague Eddy a memorial resolution for his father that had been adopted by the Insurance Brokers Association, a copy of which is to hang on the wall of the brokers group. That presentation was made by A. T. Graham, one of the veterans in the brokers' ranks. J. H. Norton, president of the brokers' association, was in general charge. George Eddy, Jr., was also present. He has been in the local agency business in Springfield, Ill., and has now gone to Chicago to take over his father's business and has headquarters with W. A. Alexander & Co.

SUTTER SLATED FOR PRESIDENT

Adolph G. Sutter of America Fore has been nominated for president of the Fire Insurance Examiners Association of Chicago, the election to be held Thursday evening of this week. Charles LaBow, London & Lancashire, who has been vice-president and secretary, probably would have been moved into the presidency but he desired to be eliminated from consideration because he is likely soon to be inducted into military service. Likewise, Paul A. Breuhaus, Springfield F. & M., who has been the treasurer, preferred not to continue in office. The nominee for vice-president is J. W. Nickerson of Millers National; for secretary, Theodore Reis of R. H. Erickson & Co., and for treasurer, there is a contest, with Paul Capps of Eagle Star, and S. M. Albrecht of Phoenix of Hartford being put in nomination. Those nominated for directors, two to be elected, are John E. Link, Crum & Forster; W. E. Kruse, Springfield; E. F. Rokel, Providence Washington, and W. B. Moore, Hartford Fire. The film, "Trans-Pacific," will be shown at the dinner meeting.

DEPARTMENT'S BRANCH TO MOVE

The Illinois department's Chicago branch office soon will be moved to the 24th floor of the Board of Trade building there. Alterations are being made and the branch probably will be in its new, larger quarters about May 15. The branch has been in the Insurance Exchange since 1935.

Increased facilities for expansion of functions of the branch with better service to the public will be afforded. The small loans division, which also has supervision over the bail bond act, under W. H. Murphy, supervisor, will establish a branch in the Chicago office, and Director Jones stated certain operations of other divisions pertaining to Chicago activity may be concentrated there.

Director Jones plans to hold more hearings in Chicago. In the past, many have been held at Springfield. This change will be a greater convenience for the persons concerned and also will

make important records available without delay.

Negotiations for leasing of the new offices were handled by Arthur G. Smith, deputy in charge of the Chicago office.

JOHNSON TO WASHINGTON

Oliver F. Johnson of Byrne, Byrne & Hahn, Chicago, has joined the Office of Price Administration in Washington as field training supervisor in the fuel division.

SEIDER NEW BADGER MANAGER

Gerry E. Seider has been appointed manager of the Chicago branch office of Badger Mutual Fire. He has been underwriter and production man in the office for a year associated with C. C. Myers, manager. Mr. Myers has just been promoted to director of a new agency development department in the home office. Mr. Seider was connected with Badger Mutual head office for five years in an underwriting capacity.

FIREMEN'S TO MOVE SOON

The western department of Firemen's will be moved to its new location at 120 South LaSalle street about May 1, according to present indications. The department has been located in the America Fore building, 844 Rush street, which has been purchased by the government for occupancy of the Railroad Retirement Board.

The supply departments of both Firemen's and America Fore have been moved to 205 West Monroe street.

NAPIER & CO. IS HONORED

The R. A. Napier & Co. agency of Chicago received recognition last Saturday from Aetna Fire for 25 years of representation. There was a large basket of flowers and a wall plaque which George Bowman of the agency, who is president of the Chicago Board, displayed with much pleasure. Mr. Napier is able to get to the office occasionally but he was not on hand at this anniversary. Aetna Fire has been in the Napier office longer than any other company. R. A. Napier & Co. started in 1893 as Napier & Dalmar.

JOHNSON & HIGGINS TO MOVE

The Chicago office of Johnson & Higgins, which has been located in the Insurance Exchange for 30 years, will move about May 10 to the 9th floor of 231 South LaSalle street. The new offices will be located across the front of the Continental Illinois National Bank building and for a short distance down the side. The space is somewhat larger than that now occupied, and is more conveniently arranged. The quarters are being modernized, and will be equipped with new furniture.

COMPANIES

Wilmington Company Not Ready

Wilmington Fire of Wilmington, Del., is still in the stock selling stage. The organization of this company was started just about a year ago. J. B. Canning of Philadelphia is the president. The offices are in the Delaware Trust building.

California Promotion Quiescent

California Union Fire, which last year obtained a permit for use of the name and to sell stock, has not yet been put in operation. As a matter of fact, it is understood that the stock selling program has not actually gotten under way.

Truscott Is Camden Fire Director

Barry Truscott, vice-president of Camden Fire, was elected a director, succeeding the late Frank J. Burr.

Barry Truscott, son of J. Lynn Truscott, former president of Camden Fire, began working for Camden Fire during

his school vacations. After serving with the Royal Air Corps in the first world war, he went to Chicago for Camden Fire in 1919 to reorganize the western department. He became assistant secretary in 1920, secretary in 1924 and vice-president in 1927. He is in charge of the underwriting in the western department and the advertising and printing departments.

Lays an Egg

The application has now expired to form a new insurance company in New York to be known as Atlantic General. This was the company that was to have been formed to take over the United States business of the General of Italy but the idea was dropped on orders from the head office in Italy. Incidentally Atlantic Mutual entered objection to the use of that title and the name probably would have been changed if the plan had materialized.

General of Seattle Surplus

In the showing of General of Seattle on page 40 of the Argus Fire Chart for 1942 an inadvertent transposition of figures would indicate a decrease in surplus, which is not the case.

General has a voluntary reserve of \$765,000 which in all years indicated in

the showing except for 1940 has been included as a liability item, with special notation, but in the figures as of Dec. 31, 1940, this reserve was included in the surplus column. The correct figures of General as of Dec. 31, 1940, should be liabilities \$10,668,215, surplus to policyholders \$6,531,078 and surplus less capital \$5,531,078. General had an increase in surplus to policyholders in 1941 over 1940 of \$295,563.

Georgia Home Correction

In the data shown for Georgia Home on page 41 of the Argus Fire Chart for 1942 the 10-year average of premiums earned is incorrectly given as \$775,830. The correct figure is \$875,830. This likewise affects the ratio of losses incurred to premiums earned which should be 53.3 instead of the figure given.

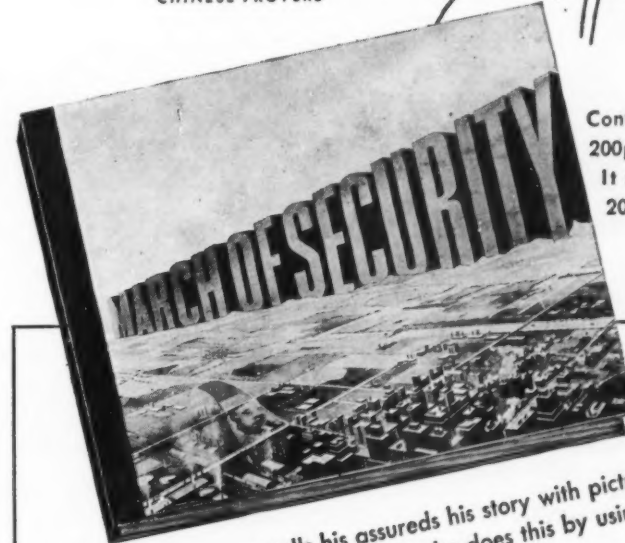
W. H. Archibald Retires

W. H. Archibald has retired from the services of the Underwriters Service Association and is living in retirement at Elk Rapids, Mich. He is nearly 75 years of age. He was with Underwriters Service for 16 years as a general inspector, the last year or so being located in Detroit. In his earlier days he was connected with sprinkler companies.

畫寓萬言

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EDITORIAL COMMENT

Demand for Insurance Education

THE demand for insurance education is growing steadily. Many agency offices are subscribing to educational courses for their clerks. Quite a surprising number have found their manpower depleted by the selective service. In some cases they are giving attention to the training of young women, who have to take up part of the burden. Home offices are also seeking educational matter for young women, as part of the underwriting duties are shifted to feminine shoulders. It is found an advantage to have women clerks understand the nature of the things they handle. Every clerk does better when he knows "what it is all about," and many agents can profit by a better understanding of multiple lines.

Three training courses published by the National Underwriter Company are highly commended. The course in property insurance, by Dwight Ingram, has proved itself for many years and is more popular than ever. It was recently revised and corrected. The Casualty & Surety Sales Training Course, by Donald M. Wood, Jr., of Chicago, is winning high praise wherever it is used. Mr. Wood is not merely a thoroughly

trained underwriter, but he has a pleasing style of writing. The casualty course is especially desirable now, while casualty insurance is enjoying a boom heretofore unknown in insurance. Casualty premiums alone in 1941 increased \$200,000,000, to a total above \$1,400,000,000. Agents who are losing their share of this golden stream, because of their unfamiliarity with casualty lines, should lose no time in obtaining the lessons on the various kinds of casualty insurance.

There is quite a tendency for important local agencies to form classes among the clerks and brokers. In some towns, also, classes are being formed to include several agencies, where there are not any agencies large enough to form a class of their own. The stimulus of class study is found effective.

Another course available is on the Analytic System for the Measurement of Relative Fire Hazard, otherwise known as the Dean Schedule Course. This course is usually in demand by young men who wish to qualify as fire insurance field men.

All of these courses are published by the National Underwriter Company, 420 East Fourth street, Cincinnati, Ohio.

Conservation of Paper

WE are going to hear very much while the war is on us about conservation of resources and saving in many directions. One of the big demands upon us now is the saving of all kinds of paper due to a possible shortage. The publications themselves use a vast amount of paper. In addition insurance companies are great buyers of paper for all sorts of uses.

Many of them have house organs and get out much literature, sales bulletins and other articles. In fire and cas-

ualty policies, new ones are issued on expiration. They might well be supplanted where possible by renewal certificates. There is much overlapping in the way of sending out supplies to local agents. There is a tremendous waste in insurance literature.

This is really a grave question and it behooves us all to take it to heart because this is certainly one way in which we can cooperate as civilians in a war torn era. We have been too lavish in our process. We can call a halt.

Simplified Dwelling Policy

LEON A. WATSON, schedule rating expert of New Jersey, speaking before the recent mid-year meeting of the New Jersey agents association, suggested as a measure of economy and public goodwill, the adoption of a simplified standard form of fire insurance policy for dwelling properties, offering in support of the recommendation that probably from 65 to 70 percent of all policies issued are for residence or dwelling properties, of which perhaps 90 percent may never be involved in a claim and

probably less than one-half of 1 percent are ever in dispute.

A dwelling house form of policy was drafted by one of the companies for use in New Jersey nearly 12 years ago, since which time nearly 150 other companies have adopted it as to the state, and with certain modifications, as to Pennsylvania as well.

This form, Mr. Watson feels, might well be simplified, but all effort in that direction will have to wait until the type and extent of indemnity to be supplied

by the War Damage Corporation is made clear.

While the aggregate premium income derived from residence properties the country over is estimated to be roughly one-third the total fire income, the number of policies issued in the former classification far transcends that of mercantile and stock coverings, as might readily be inferred from the lower average premium rate upon dwelling business. Dwelling business has long been termed "preferred" and every company seeks to secure as large a percentage of such risks as possible.

As indicating the opportunities that exist for writing residence properties the figures below taken from an analysis by the Department of Commerce of the housing data gathered in connection with the 1940 census will prove of interest:

Of the listed 37,326,682 dwelling units 20,597,520 were located in population centers of 2,500 or more; 7,151,471 in rural areas but not on farms and 7,106,561 on farms. Of the 423,279 occupied rural non-farm dwellings, 243,360, or 58.4 percent were occupant-owned.

PERSONAL SIDE OF THE BUSINESS

Two well known St. Paul insurance men have been nominated for No. 1 St. Paul baseball fan in a contest being conducted by a St. Paul newspaper. They are **Henry Martin**, whose baseball affiliations run back half a century, and **Armand Harris**, one of the younger insurance men who has been leader of the "Knot Hole Gang," a baseball booster organization. The man getting the most votes as No. 1 fan will toss the first ball at the opening game in St. Paul late this month.

Betty Lou Goetzinger, daughter of **Eugene P. Goetzinger**, special agent at Dallas for Indiana Lumbermen's Mutual, was married to T. Bradley Burns, statistician in Dallas for North American Aviation Company.

John R. McCabe of McCabe & Hengle, Chicago agency, spent 10 days at Excelsior Springs, Mo. His wife and daughter Jean visited relatives in St. Louis, then all returned together to Chicago.

Announcement is made of the marriage of **William Stewart**, Kansas state agent of North British, Wichita and Miss Twila Fulton, secretary to W. H. Moore of the Central Kansas Adjustment Bureau.

Bernard G. Lathrop, for nearly three years with the Wade Patton agency, Hutchinson, Kan., has resigned to accept a civil service appointment with the army air corps and has been assigned to one of the aircraft factories at Wichita.

Miss Dorothy Patton, daughter of Secretary **Wade Patton** of the Kansas Association of Insurance Agents and herself assistant secretary until she resigned to attend Northwestern University this year, has been chosen the outstanding woman of the junior class there. She was secretary of the Hutchinson Insurance Women last year.

George W. Finley, special agent of North America in the metropolitan department in Philadelphia, will celebrate 35 years of continuous service with North America, April 17.

H. H. Hendren of Sacramento, president California Association of Insurance Agents, left his city April 3 by motor for New York City to attend semi-annual meeting National Association of Insurance Agents.

W. Eugene Harrington, vice-president of Paramount Fire and member of the agency firm of Spratlin, Harrington & Thomas, Atlanta, is in the hospital with

a kidney ailment for the second time within a few weeks. Possibility of an operation will be determined by x-rays. The sudden attack prevented Mr. Harrington from going to the mid-year meeting of the National Association of Insurance Agents, in the program of which he had been asked to take part. He is a former president of the National association.

Walter T. Bentson of the Dodge Agency, Salina, Kan., is in the Veterans' Hospital at Wichita, Kan., where he has just undergone an operation. Mr. Bentson will be confined to the hospital for about a month.

In view of the fact that the Western Underwriters Association is holding its annual meeting at Atlanta next week, it is interesting that the man who appears to have held the earliest membership in the old Union and is now surviving is a resident of that city. He is **Milton Dargan**, who in February became 80 years of age. Manager Charles F. Thomas consulted the list of those who answered the roll call at the mid-year meeting of the Union in St. Louis, Feb. 28-March 3, 1894. That was the year when Mr. Dargan was admitted to membership and old timers in the business have scanned that list and say that Mr. Dargan is the only member of that group still living. He was at that time southern manager of Lancashire and was eligible for membership in the Union because his jurisdiction included Kentucky and Tennessee which was then Union territory and is now W. U. A. territory.

Miss Dolly C. Morrow, daughter of **W. L. Morrow**, San Antonio, Tex., general agent of Life of Virginia, and Lieut. **W. W. Altgelt, Jr.**, son of **W. W. Altgelt**, Sanger & Altgelt agency, past president of the San Antonio Insurance Exchange, were married.

DEATHS

E. A. Bloom, member of the Twin City Insurance Agency, Minneapolis, died there.

Berthold A. Oppenheimer, 69, president and general manager of the Oppenheimer Co. agency in Springfield, Mass., and in the insurance business in that city for 52 years, died following several weeks illness. He was a native of Syracuse, N. Y., and left school in his teens



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to enter the home office of Springfield Fire & Marine as a policy clerk, later becoming bookkeeper. He went into the agency of Cone & Sherwood in 1894 and in 1904 formed a partnership with F. F. Hall of Hartford which later became the Oppenheimer Co. Mr. Oppenheimer was long active in the Springfield Board and other organizations. He leaves four sons, Edmund S., who is general manager of Associated Agents and Brokers; Richard J., Arthur L. and Harold R.

J. G. LaMond, 60, who for the past 17 years had traveled for the "Insurance Field" as special sales representative, died at his home in Louisville. A native of Morganfield, Ky., he joined "The Field" in 1925 under Business Manager Champion I. Hitchcock. Prior to that he was with the Remington Typewriter Co. in Louisville. In recent years he had serviced the "Field's" directory accounts in Kentucky, Tennessee, Texas, Virginia, North Carolina, South Carolina, New Jersey and New York.

George C. Gillespie, 84, founder of the Gillespie-Pye-Gray Company agency in Philadelphia, died there. Mr. Gillespie entered insurance in 1896. He had been inactive for about 10 years.

Col. Robert H. West, 67, who was general manager of all the transit live stock insurance activities of the Hartford group, including Hartford Live Stock and the live stock transit department of Hartford Fire, died in a hospital at Ft. Myers, Fla., where he had been taken after he suffered a heart attack while at his winter home in Naples, Fla. Funeral services were held in Cincinnati, Tuesday. Colonel West's residence was in Cincinnati and he maintained an office there as well as in the main office in the Wrigley building, Chicago.

Colonel West avoided detail work and most of his time was given to visiting live stock markets throughout the country. He was able to accomplish almost everything he set out to do by force of his personality. He is credited with originating the idea of insuring live stock going to public markets about 1912. He got up his blue prints and submitted the program to R. M. Bissell, then president of Hartford Fire. He got the go ahead signal and after a good deal of preliminary work, the business began to be written in volume about 1914.

Colonel West for a period of about 25 years was on the road a great deal of the time, selling his idea to stockyards people in the United States and Canada. It is recalled that in the Kansas City stock yards fire of 1917, Mr. West paid a loss in one check of \$1,750,000.

He started out in business with his father who was a live stock commission man in Cincinnati and later he went with the A. W. Shell agency of Cincinnati, Mr. Shell being his uncle. A son, John West, is manager of the Cincinnati local office of the live stock department.

Dr. W. H. Timmons of Chicago, general agent for Hartford Live Stock, who had been very closely associated with Colonel West, flew to Florida when he learned of Colonel West's attack but he did not arrive before Colonel West's death.

Colonel West was elected an honorary vice-president for life of the National Live Stock Exchange.

West Shell, a nephew of Colonel

West, is now head of the A. W. Shell agency.

Colonel West organized and was president of the Southern Illinois Hunting Club; he was a past president of the Ryland Lakes Country Club.

Representatives from all the markets in the United States and Canada were present at the funeral and C. S. Kremer, president of Hartford Fire, attended.

Henry W. Meeker, 85, who had been in the insurance business in Franklin, O., since 1884, died in a hospital in Cincinnati, where he had been confined for the past several months. In 1921 his son, Fred O. Meeker, joined the agency and it has been operated since that time as Meeker & Meeker. He was born in Franklin and spent his entire life in that community.

Charles T. McKisson, 69, local agent in Cambridge, O., for 30 years, died there. For years he was associated in the insurance business with the late F. C. Anderson, but several years ago formed the McKisson agency with Kenneth R. McKisson, his son.

Fred E. Gross, 76, local agent in Milwaukee for 25 years, died at his home there.

B. J. Steinberg, 22, Appleton, Wis., has been reported missing in action by the navy department. He is a son of D. P. Steinberg, Sr., Appleton local agent, and a brother of D. P. Steinberg, Jr., general agent of Old Line Life. He is believed to have been serving on the aircraft tender Langley.

L. D. Anderson of Enid, Okla., hail special agent of Great American, died in a hospital in Frederick, Okla., at the age of 70. He went to Oklahoma in 1889, and become interested in banking. He entered insurance work in 1927.

Edwin W. Hoffman, 43, local agent in Springfield, Mo., died following an operation.

W. G. Burwell, 86, Willard, O., local agent, died there.

Conventions

April 21-22, Western Underwriters Association, annual meeting, Atlanta, Biltmore Hotel.

April 23-24, Wisconsin Agents mid-year meeting, Milwaukee, Hotel Schroeder.

April 23-24, Insurance Accounting & Statistical Association, St. Louis, Jefferson Hotel.

April 24-25, Florida Association of Insurance Agents, St. Petersburg, Princess Martha Hotel.

April 27-30, U. S. Chamber of Commerce, annual meeting, Chicago, Stevens Hotel.

May 3-5, North Carolina Association of Insurance Agents, Pinehurst, Carolina Hotel.

May 5-6, Kansas field men, Wichita, Allis Hotel.

May 6-7, Midwest Safety Conference, Chicago, Sherman Hotel.

May 7-9, Alabama Association of Insurance Agents, Montgomery, Jefferson Davis Hotel.

May 11-13, New York Agents, Syracuse, Ondonaga Hotel.

May 11-15, National Fire Protection Association, annual meeting, Atlantic City, Haddon Hall.

May 13, Insurance Group, National Association of Credit Men, Cincinnati, Netherlands Plaza Hotel.

May 14-15, Pacific Board, Del Monte, Cal.

May 15, Casualty Actuarial Society, New York, Hotel Biltmore.

May 15-16, Nebraska Agents, Lincoln, Cornhusker Hotel.

May 15-16, Arkansas Agents, Hot Springs, Arlington Hotel.

May 18-20, Annual Conference on Fire & Casualty Insurance, Indiana Association of Insurance Agents, Indiana University, Bloomington.

May 21-22, Kentucky Agents, Louisville, Kentucky Hotel.

May 21-23, Georgia Agents, Atlanta, Henry Grady Hotel.

May 21-23, Mississippi Agents, Biloxi, Buena Vista Hotel.

May 22-23, Texas Agents, San Antonio, Gunter Hotel.

May 25-26, Oklahoma Agents, Tulsa, Tulsa Hotel.

May 25-28, Health & Accident Underwriters Conference, annual meeting, Kansas City, Hotel Muehlebach.

May 28, National Board, New York City, Waldorf-Astoria Hotel.

May 28-30, Virginia Agents, Richmond, John Marshall Hotel.

June 4-5, Bureau of Personal Accident & Health Underwriters, Rye, N. Y., Westchester Country Club.

June 8-10, Insurance Commissioners, Cosmopolitan Hotel, Denver.

Sharp Increases Made in Cargo War Risk Rates

NEW YORK—Marine underwriters have made sharp increases in cargo war risk rates for many voyages during the last week. Effective April 16 rates between western hemisphere ports and Portugal, Spain (Atlantic), Gibraltar, Tangier, Madeira, Azores, Canary and Cape Verde Islands were raised from 6 percent to 7½, the same change being made for voyages to West Africa not east of Capetown. For other ports in Africa, excluding via Mediterranean, Red Sea, Gulf of Suez, and Gulf of Aden, the rate was raised from 7½ to 9 percent.

Voyages between U. S. Atlantic and U. S. Gulf ports now take a 6 percent rate, formerly 5. The same increase was promulgated for West Indies, east coast of Central America and Mexico, and north coast of South America, to or from U. S. Atlantic ports. For the same voyages to or from Canadian Atlantic or Newfoundland ports the rate was raised from 6 percent to 7 for tankers and from 5 percent to 6½ for other vessels.

Voyages from Pacific ports to U. S.

Atlantic, West Indies or north coast of South America, via Panama, now take a 6¼ percent rate, formerly 5¼. For intercoastal voyages to or from Canadian Atlantic or Newfoundland ports the rate has been raised from 6¼ to 7¼ by tanker and from 5¼ percent to 6¼ by other vessels.

Voyages between South America Atlantic (south of Paramaribo) and U. S. Atlantic, Gulf or Pacific, east coast of Mexico or central America, West Indies, or north coast of South America are increased from 5½ percent to 7½. These voyages if extending as far north as Canadian Atlantic or Newfoundland take a rate of 8½ percent by tanker, formerly 6½, and 7½ by other vessels, formerly 5½. For trips between U. S. Atlantic or Gulf ports and Canadian Atlantic or Newfoundland ports the rate has been boosted from 5½ to 6 percent for vessels other than tankers, putting them on the same basis as tankers.

Many Other Changes Made

Earlier in the week the long-standing 7½ percent rate between the United States and west coast United Kingdom ports, United Kingdom channel ports not east of Southampton, Irish Free State and Northern Ireland was raised to 10 percent. Shipments between the United States and Egyptian Mediter-

(CONTINUED ON PAGE 31)



OUR NAVY IS DOING ITS PART—convoying the vital cargoes of planes, tanks, guns, ammunition and food which are going to win this war . . . win it on the enemy's own soil! Day and night, our battlecraft are seeking the chance to drop their "ashcans" on deadly U-Boats—as the submarine combat vessel shown above is doing so successfully with its depth bombs.

YOU CAN DO YOUR PART—by seeing that the flow of war goods in your community is protected—by watching the changing requirements of your Assured, recommending the coverages best adapted to your clients' present and future insurance needs. Your wartime watchfulness is essential.

WE ARE DOING OUR PART—as one of America's leading insurers of ships and cargoes. We also prepare Inland Marine Floaters for war industry, as well as for commercial and personal requirements. Our nearest office will be glad to render complete specialized service.

MARINE OFFICE OF AMERICA

WESTERN DEPARTMENT

INSURANCE EXCHANGE BUILDING - CHICAGO

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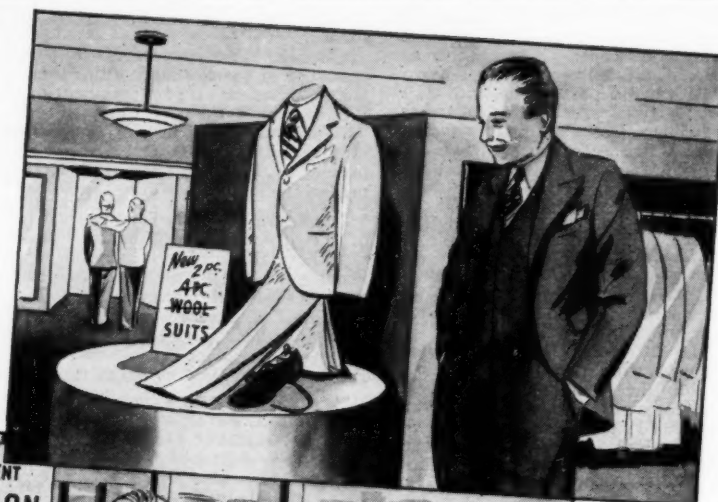
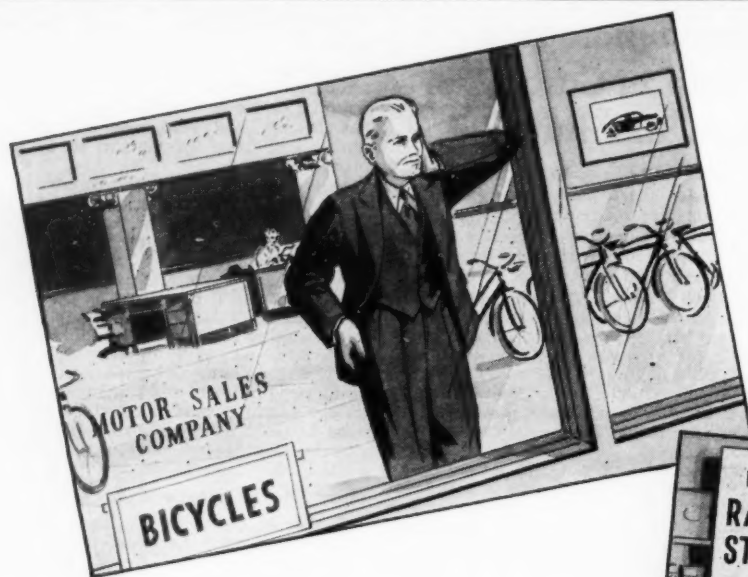
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WANTED

Fieldman for Indiana—by medium size, old, non-assessable, midwestern, agency fire company. Give complete information. Confidential. Our employees know of this ad. Address P-60, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

EXPERIENCED FIELD MAN

Wants position with stock fire insurance company as state or special agent in mid-western states—Kansas preferred. Years of experience. Address P-59, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



I'M GLAD I SELL INSURANCE

NO SUBSTITUTES - NO SHORTAGES - NO RATIONING!

I know that everything in my "catalogue" is in stock and ready for shipment.

I know that once an order has been placed my company will not increase the price, reduce the quantity, or make a substitution.

I know that "delivery" of my order will not be delayed by priorities, strikes or transportation difficulties.

I know that every prospect and every policyholder now on my books needs what I'm selling *more than ever before*.

I know that there are a *greater number* of people in my community who have *something worth protecting* than at any other time since I have been in business.

I know that many of them have *more money* to pay for things they want and need than they have ever had before.

I know that all I have to do to make 1942 a good year for me is to *see these people*.

I know that I can do that as long as I can get SHOE LEATHER, of which there is still a plentiful supply.

I know that I'm glad I sell *Insurance*.



THE AETNA CASUALTY AND SURETY COMPANY

THE AETNA LIFE INSURANCE COMPANY — THE STANDARD FIRE INSURANCE COMPANY
THE AUTOMOBILE INSURANCE COMPANY OF HARTFORD, CONNECTICUT

The NATIONAL UNDERWRITER

April 16, 1942

CASUALTY AND SURETY SECTION

Page Twenty-one

Bureau Issues New Medical Payments Cover

Fills Liability Gap That Existed on Residence Risks

The National Bureau of Casualty & Surety Underwriters has made available a new program of medical payments coverage in connection with residence risks.

The new coverage rounds out the program of liability insurance that owners or occupants of private residences, including apartments, can now buy to meet their risks. Heretofore, this has included residence liability, employers liability for domestic help, and medical aid cover for domestic employees.

Covers Medical, Hospital

This program is now extended to cover the householder's moral obligation to provide medical, nursing or hospital care, or reasonable funeral expenses when death results, for a person who sustains bodily injury, sickness or disease, caused by accident, while on his premises. The new coverage also provides such care, or funeral expenses, for a person who is not on the householder's premises but is injured by an occurrence on insured's property, such as the limb of a tree falling upon a pedestrian in the street or elsewhere.

The new coverage is available only in connection with owners, landlords and tenants liability insurance on single apartments, private residences, private estates, two family dwellings and the residence portion of personal liability cover. It is also available when there is incidental business occupancy of the premises. It is not available in connection with farms.

Exclusions in New Form

The following persons are excluded under the new coverage:

1. Any person while on the premises because of a business conducted thereon, or sustained elsewhere as a result of such business, the renting or offering for rent of more than three car-spaces in buildings independent of private residences to be considered business use.
2. Persons who are covered under workmen's compensation laws.
3. Any employee of the insured while engaged in the insured's employ.
4. The named insured or any person regularly residing on the premises, such as a member of the family or a boarder.
5. Any person while on the premises except with the expressed or implied permission of a person having authority to grant such permission.

The insurance may be written in limits of either \$250 or \$500. The premium for \$250 is \$2.50 per year, or \$6.25 for three years when the entire premium is paid in advance. The \$500 limit pre-

N.A.I.A. Committees Step Up Activities in War Time

NEW YORK—The reports of the various committees of the National Association of Insurance Agents always reflect a lot of effective year around work on the part of a great many agents who are members, and this year was no exception with respect to the semi-annual showings of these groups. The reports issued at the convention here indicated that the committees have substantially stepped up their effort since Pearl Harbor.

The special risk rating plan for boiler and machinery promulgated by the National Bureau of Casualty & Surety Underwriters now stands suspended, as well as certain amendments suggested by the bureau on Feb. 27, 1942, until May 1, 1942, Ralph W. Howe, Richmond, Va., chairman of the casualty and surety committee, stated in his report. A further postponement is anticipated at that time because the committee does not feel that the bureau can complete its study by that time.

Report on Surety

W. Herbert Stewart, Chicago, vice-chairman of the casualty and surety committee, presented a fidelity and surety report. In connection with shipbuilding and airplane supply advance payment bonds, Mr. Stewart points out that the Acquisition Cost Conference in October, 1940, put into effect a reduced rate, all of the reduction being contributed by the agents. Consequently the plan was never approved by the surety committee nor the executive committee of the National association. One of the provisions of this plan, however, was that it would be effective for only a period of 18 months, owing to the emergency that existed. It is, therefore, subject to review sometime prior to April 22, 1942. The casualty and surety committee has requested that if the plan is to be continued beyond April 22, the committee be informed of the basis on which it will be continued so that it may express its views.

Fire Prevention Vital

There is, of course, a significant sphere for fire prevention work during a war period, and the local agent has been placed in a patriotic role, Harold N. Mann, Tacoma, Wash., stated in his report for the fire prevention committee, of which he is chairman. Huge piles of waste materials now being salvaged for war production and stored in every locality create new potential hazards. Protection of plants against fire and possible sabotage has become of first importance. This is true also of the danger of incendiary bombs from enemy planes, of home protection to avoid diversion of materials needed for war and to reduce the hazard to nearby defense industries.

The fire prevention committee is continuing to push the model fire prevention ordinance prepared by the National Board and interest in this ordinance since Pearl Harbor has been much

mum is \$5 per year, or \$12.50 for three years when paid in advance. Outstanding policies may be endorsed to include the medical payments coverage on a pro rata basis.

greater. In the last six months 11 cities have adopted the ordinance. The committee has been active in getting to agents for dissemination to the public information on home defense, particularly as to incendiary bombs. It has pushed the sale of "Fighting the Fire Bomb." There is a tremendous demand for showing of this film.

The big job of the legislative committee the past six months has been watching committee hearings on the progress of legislation before Congress, reported Ben A. Calhoun, Houston, chairman. He pointed out that on the basis of treasury officials' statements, there may be an equalization of taxation as regards mutual companies in the revenue bill expected to be introduced about May 1.

A tremendous interest was shown by membership of the National association all over the country in daily progress of the bill to finance the War Damage Corporation, Mr. Calhoun reported. Agents are vitally interested in what part they will play in the operation of the War Damage protection setup. Agents also have been interested in the small business committee's study of insurance rates, civilian war benefits as proposed in the Pepper bill, and the bill providing for the registration of labor organizations and business and trade associations, which still is in the judiciary committee.

There is widespread interest in accident prevention activities as an adjunct to the war effort, Archie B. Millard, Grand Rapids, Mich., chairman, explained in the report of the accident prevention committee.

More than 400 of the National association guide books on membership activities have been distributed to state association officers, membership committees and local boards, Francis R. A. McGlynn, Worcester, Mass., chairman of the membership committee, reported. This manual was a project inaugurated last year when David A. North, now vice-president of the National association, was chairman of this committee.

Membership activities have been exceptionally prominent in Illinois, North Carolina, Iowa, Kansas, Texas, Georgia, Pennsylvania, New Jersey, Utah and Arizona, Mr. McGlynn reported. Georgia has added 55 new members since last September. Considerable interest is developing in Puerto Rico in the National association, and there are more members in Alaska.

Continental Casualty Uses Renewal Certificate

Continental Casualty has put into effect a renewal certificate system for certain types of automobile business. The original certificate for the policyholder will have the appearance of a regulation policy.

This renewal form will be used in all cases where a single private passenger type automobile is insured. One paragraph of the certificate automatically extends the insurance provided to include all broadening revisions which have been or may in the future be granted under the standard automobile contract.

Mutuals Put Up Stout Fight Against U. S. Tax

Gruhn and Other Leaders Appear Before Ways & Means Group

By ROBERT B. MITCHELL

WASHINGTON — Mutual fire and casualty leaders appeared before the House ways and means committee to protest against the Treasury's proposal to change the income tax law to remove "a serious disparity in the tax treatment between such mutual companies and the stock casualty companies," as Randolph Paul, tax adviser to the Treasury secretary, phrased it in his statement before the ways and means committee March 3.

A. V. Gruhn, general manager of the American Mutual Alliance, contended that no such disparity exists, and that the present difference in tax treatment between the stock companies and the mutual companies is fair and reasonable in view of the difference in the types of the companies; that the stock companies are not in a serious competitive difficulty because of the tax law; that the stock companies have enjoyed and are now enjoying special tax privileges not available to other profit-making concerns, with the consequence that their profits are greater and their taxes less; and finally that the government does not lose revenue because of the non-profit nature of mutual companies.

Cites Tax Policy

Mr. Gruhn said that when premiums are paid to a mutual company no profit results because a mutual has no stockholder investors. Furthermore, inasmuch as the corporation income tax is in fact a tax on profit, it has been the policy of the government to recognize the entirely different character of non-profit associations and enterprises, by placing these organizations in a separate category for tax treatment. He said that this well established tax policy is a proper recognition of the fact that organizations without shareholders or capital stock are not engaged in business for gain and that no profits to third parties arise out of their operations. There has been no change in the method of operations of mutual companies which warrants a change in their classification for tax purposes, he said.

Mr. Gruhn cited the New York exhibit of workmen's compensation experience which showed that of the 20-point difference between the expenses of the mutuals and the stock companies the difference in federal income tax accounted for only one-half of one point. He also asserted that a "serious disparity" has existed in the taxation of

(CONTINUED ON PAGE 33)

Shows That War Plant Building Can Be Safe

Safety practices in modern war plant construction that result in favorable insurance experience were described at a meeting of the Casualty Engineers Association of Chicago by L. U. Byerly, engineer of Employers Mutual Casualty, Chicago. Mr. Byerly just returned to Chicago after seven months which he spent on safety supervision of the construction at an Iowa war plant. Mr. Byerly's company had both compensation and public liability on the job. At the peak there were about 13,000 employees on the job.

Experience on the job was excellent. Frequency and severity were far below average figures for similar construction, though there was a great demand for speed and inexperienced men by the hundreds were employed. Constant safety supervision over men and equipment, plus the cooperation of superintendents, foremen and men, demonstrated clearly in this case that war plant construction need not be nearly as hazardous as heretofore believed, Mr. Byerly stated.

Water Was First Problem

The first problem was water and sanitation. The only water available was from farm yard wells. These the state would not approve, and the contractor arranged to bring drinking water from nearby towns in tank trucks. This eliminated the possibility of dysentery.

Through the extreme heat of July and August last year, due to use of pure water and salt tablets, there was not a single heat prostration.

In connection with first aid requirements, no kits were issued to any one unless both the kit and the one who was going to use it met Red Cross standards. Consequently, there was only one loss of time accident because of infection.

The contractor had to meet rules of the war department quartermaster's construction corps on scaffolding, excavations, and the like. Excavations were railed off and marked. The scaffolding had to be railed, two planks wide, and cross braces. There were no scaffolding accidents, though one carpenter constructing a scaffold fell and was injured.

Avoiding Puncture Wounds

One of the big problems was the danger of nail puncture wounds. As forms were completed, the boards were taken off with the nails left in. In rainy weather the boards were apt to get buried in the mud and workers would step on them. The contractor maintained several crews doing nothing but cleaning up this and other debris. As a result there were only a few minor puncture wounds.

Goggles were used to avoid eye injuries from locomotive cinders. Protective skin creams prevented creosote burns and rubber cup goggles avoided creosote burns around the eyes. The same precautions were taken on roof work to avoid pitch burns. There was also special equipment in the hospitals to take care of such injuries, so that there was no time lost as a result of them.

On steel work the men wore protective hats and shoes.

Accidents were broken down each week and charged to the superintendent under whom the injured men worked and according to trades.

Traffic Problem a Headache

The traffic problem was a headache, especially at shift changes when there were some 3,500 men going in and out, competing for the limited road facilities with material trucks. Guards and patrolmen were educated to maintain proper speed of trucks and cars, there

Agents Keen to Learn What to Sell in Wartime

The western department of Hartford Accident, Chicago, has just completed a series of meetings with agents throughout Iowa, and these were so successful that the department plans to hold similar ones in other states this spring. The meetings were informal and the company spent most of the time answering questions.

The meetings were held at Cedar Rapids, Creston, Storm Lake, and Mason City. The big subject was what will sell during the war period, and agents showed the most interest in liability, compensation, and some of the bond lines. Of course there has been a lessening of contract bonds because there is not much road building and private construction is out. Agents indicated that they are watching their collections more closely. They are not discouraged about the prospects for business, but are giving serious thought to how to keep it going. Interest in new ideas was indicated by the distance which many of the agents traveled by motor car to get to the meetings, some coming from as far away as 100 miles.

Those who attended from the western department were George H. Moloney, vice-president; John C. Hyde, manager of the Chicago office; John W. Reitze, agency superintendent; Charles N. Dubach, production manager; Walter J. Bremer, assistant superintendent liability; W. H. Wallace, superintendent of bonding; A. C. Babize of the bond department; R. E. Baker, business development department manager; Paul Girard, burglary superintendent, and local field men in Iowa. The company was luncheon host at each meeting.

Auto Rate Reduction in Va.

RICHMOND—The Virginia corporation commission has approved a downward revision of liability rates covering public automobiles and dealers, repair shops and garages. Suggested by the companies, the new schedules call for a 40 percent reduction in the minimum premium in the dealer and garage classification and for broader coverage without additional cost in the public automobile bracket. The new rates become effective after May 1 unless objections are entered before April 20.

Flat Cancellation Rule

An amendment to the manual of automobile rules and rates providing that an automobile property damage or liability policy shall not be cancelled or be returned "not taken" for full return of the premium unless the request is made within 45 days of the effective date has been approved by the commission. Under the amendment, effective May 1, if cancellation is not requested within 45 days, the full earned premium shall be payable. If evidence is provided, however, that insurance actually was afforded under another policy for the same period, cancellation will be permissible regardless of the 45-day clause.

were stop signs and guards at heavily traveled intersections, and safety meetings with foremen and various crews were held, sometimes as many as three or four a day. This solved the problem and there were practically no losses as the result of the traffic situation.

Night work requires considerable supervision because of the tendency of crews to work without enough light. On this particular job patrols were maintained to see that each crew had enough illumination, and shortly after the beginning of the work there was little difficulty on this score. Graders, tractors, and dirt wagons moving at night were a danger because they were not originally equipped to do night work. In this case lights were installed, front and back.

More Evidence Found of Drop in Auto Accidents

The census bureau at Washington has taken a sampling to determine the trend in automobile accidents this year and finds that there is a decline in fatalities which is attributed to the tire and gasoline situation. The census bureau got telegraphic reports from 152 cities showing that automobile fatalities in those places in the week ended April 4 totaled 82. That was a decrease of 19 from the preceding week. There was a decline of four deaths for the week ended March 28, and a drop of 17 deaths for the week ended March 21.

Insurance companies and adjusters say that the automobile losses of all kinds are diminishing now to a very noticeable extent.

Adjusting organizations that were set up to handle a great volume of automobile losses, principally collision, are facing something of a problem. A good many adjusters that were employed during the days of heavy losses were young men and they are being called into the armed services or into war industries in considerable numbers so that the possibility is seen that the situation will keep somewhat in balance.

N. Y. Department Permits Abbreviation of Statistics

NEW YORK—The New York department has approved the suggestion of the National Bureau of Casualty & Surety Underwriters that it be permitted to furnish condensed experience figures upon a number of the casualty lines instead of the detailed results filed hitherto, recognizing the Bureau plea that the shortage in competent help makes it desirable to curtail statistical work as much as possible. The authority given by the department applies to the business of policy year 1942, and subsequently on "other liability," burglary and plate glass business, and in part to the automobile line, and will be in effect until "further notice." The carriers will continue to furnish full experience data on private passenger and light commercial cars in classes 4 and 5, and former territorial designations will also be retained.

Travelers "Ad" Again Wins

An illustration used in a national advertisement of Travelers has won the Art Directors Club's certificate of award for distinctive merit. The award was made by the jury of the exhibition of advertising art in New York and was presented to the artist, Steven Dohanos this week. The painting depicts a gaunt, fire-gutted farmhouse silhouetted against an early evening sky and appeared above a caption which read, "This house had 28 mysterious fires in one day!" This is the fifth time advertising of Travelers, prepared by Young & Rubicam, has won Art Directors Club awards for distinctive merit.

Independent Companies Organize

SAN FRANCISCO—The Non-Affiliated Casualty Managers Association has been organized in California by 19 companies not belonging to rating organizations. Charles Seeley, Rathbone, King & Seeley, San Francisco general agency, is chairman; Don E. Sessions, Los Angeles, vice-chairman, and William Selbach, Selbach & Deans, general agency, secretary.

Chicago Branch in New Office

Western Surety's branch office in Chicago has moved into larger quarters in A-1151 Insurance Exchange. The office is about double the former size. M. H. Trepkow is vice-president in charge.

Claim Over 5,000 Fraudulent Names on Mass. Petitions

BOSTON—A long drawn out and bitterly fought battle over the placing of labor's initiative petition for a compulsory monopolistic state compensation fund measure on the ballot in Massachusetts next fall was promised by the intensity of the hearings which began before the state ballot law commission.

Attorney Rugg, representing the four company executives who have challenged the validity of the petition, opened up the hearing with the statement that investigation of more than 15,000 of the 24,190 signatures on the petition, had revealed more than 5,000 of the names were forgeries, fraudulently on the petition, erroneously certified or illegally obtained by "deceit, trickery and fraud."

Not less than 20,000 names of legal voters are necessary for placing the petition on the ballot.

Albert G. Osborne, handwriting expert, held that a petition containing some 25 names was fraudulent because the signature of the circulator, Nicholas P. Morrissey, was unlike Morrissey's signature on the original petition of ten voters which came before the legislature last year. Counsel Wallace for the Federation of Labor sought to discredit the witness by admitting that the Morrissey signature on the original petition was not Morrissey's signature at all, because someone else had signed Morrissey's name on the initial petition. This, claimed Attorney Wallace, had been done with the consent of Morrissey and was proper and legal.

Presents Serious Problem

Further controversy between attorneys disclosed that the insurance interests planned to prove that three of the 10 signers of the original petition had not personally placed their names on the petition and the admission that the very first signer had not personally signed placed a serious problem before the ballot law commission.

Counsel for the insurance interests sought to get a ruling from the commission that entire sheets of petitioners names, running from 10 to 50 on a sheet, should be thrown out if it was shown that the circulator of the petition was not present as required by law, when the petitioners signed their names. It was contended that many of the petition blanks had been left in stores, mills, etc., and when finally filled in were attested to by the circulator of the petition as having been "signed in his presence," which under the law would make them illegal.

The proceedings promise to extend over a long period, as the insurance interests have many hundreds of certified signatures of voters who allege they never signed the petitions, or did not sign them in the presence of the circulator of the petition, all of which will be compared, one by one, with the names on the petition sheets, by the handwriting experts.

Chairman Joseph A. Conway of the ballot law commission has even intimated that hearings may be held in many industrial plants about the state to avoid interference with war production work by calling petition signers to the public hearings in Boston.

F. & D. Indiana Writings

In the table of 1941 casualty business in Indiana, carried in the April 2 issue, the breakdown by lines for Fidelity & Deposit showed fidelity and surety writings of \$186,225. This total should have been \$286,225. The total premiums for F&D were, as indicated in the table, \$301,465. This makes the total of fidelity and surety for the state for all companies \$2,547,403, \$100,000 larger than shown in the table.

Company-Agency Conference Held on Casualty Problems

Discuss Workmen's Compensation, Boiler and Machinery Rate Plans

NEW YORK—There was a conference rather prolonged on Monday, the participants being the members of the casualty committee of the National Association of Insurance Agents of which Ralph W. Howe of Richmond, Va., is chairman; a committee from the National Association of Casualty & Surety Agents consisting of C. C. Jones, Kansas City; C. H. Burras, Chicago; W. D. O'Gorman, Newark, and John E. O'Neil, Boston; a company committee headed by Vice-president W. E. McKell, American Surety, and a committee from the National Association of Insurance Brokers.

Two Points Discussed

The two points discussed were workmen's compensation and boiler and machinery. Since the annual meeting there have been conferences between company representatives and the National Bureau of Casualty & Surety Underwriters on compensation. The National association committee had suggested certain features that seemed desirable to incorporate in the general plan of retrospective rating for compensation insurance. The companies are developing data on additional plans for study but none has been produced which the companies would accept. Evidently there is considerable confusion and uncertainty about the modified rating plan for compensation.

The much discussed special risk rating plan for boiler and machinery insurance promulgated Jan. 1 by the National Bureau and later postponed has caused much controversy. The plan was suspended until May 1 and it is likely to be postponed further.

Cal. Signup Is Completed

SAN FRANCISCO—A total of 407 automobile writing companies of all classifications had signed the anti-discriminatory agreement prior to the dead line on April 15 and filed manuals and deviations with the insurance department. This represents all companies necessary for the required 100 percent sign-up except four reciprocals not writing automobile but from which commitments are expected within a few days. The department reports very few deviations are being filed. The agreement becomes effective May 1.

Civilian Defense Injury Ruling

Illinois cities and villages are not liable for personal injuries to defense volunteers and third persons who may be hurt in connection with civilian defense activities, Attorney-general Barrett stated at a meeting of the Illinois State Council of Defense.

No additional liability is incurred either at common law or under the workmen's compensation act by the organization and activities of civilian defense councils, the attorney-general said. Defense activities are a governmental rather than a corporate or proprietary function.

Grimes to Commercial Indemnity

C. R. Grimes, Peru, Ind., has gone with the Commercial Indemnity of Indianapolis as assistant secretary. He will continue to make his headquarters in Peru.

Courts Have Held Insurers Can Collect Back Premium for Undisclosed Hazards

Because the comprehensive automobile and comprehensive liability policies now are reaching their first anniversary, and audits are turning up hazards undisclosed by the original questionnaire, there is considerable interest in cases involving collection of "back premiums."

There are quite a number of cases holding that the insurer can recover additional premiums where the risk was found to be greater than that on which the premium was based when the policy was issued. Most of these cases concern workmen's compensation, but include ones involving employer's liability before workmen's compensation acts were passed. Here are digests of a few cases from Illinois appellate courts.

Cases Are Cited

In New Amsterdam Casualty vs. Hetterstrom, 1916, the insurer recovered additional premium, based on the insured's statement of larger than estimated payroll, on a policy of public liability insurance for injuries to those not employed by insured, but premium to be based on payroll on the particular job. The payroll was estimated in the schedule at \$3,000, but on examination of Hetterstrom's books, the payroll was found to be \$30,522. Insured had paid \$50, but on the basis of the examination of his books owed \$457. The appellate court reversed the trial court and a judgment for \$407 was granted.

A case denying insurer recovery of back premium is that of Bituminous Casualty vs. Koehn, 1939. The court held that where insured calculated and paid premiums on a workmen's compensation policy for 13 months as per statements of insurer's representative as to classification of employees upon whose payroll premium was computed, no further recovery is allowed.

In New Amsterdam Casualty vs. Saloman, 1911, which was before the compensation act in Illinois, the court held that insured's statement of payroll upon which the premium was to be based, showing a larger payroll than that estimated by the policy, is a basis for recovery of additional premium by insurer. While the company must prove it has been rendered liable to greater risks than the application of the schedule contemplated, the court pointed out, where that is shown, recovery is indicated.

In Employers Liability vs. Kelly-Atkinson Construction Co., 1913, the finding was that the insurer is not estopped by negligence in examining the payroll upon which a casualty insurance premium was based from recovering additional premium, where it had no occasion to doubt the honesty of the statement submitted by the insured until shortly before the suit was filed.

Panel Discussion at Riverside

Special Agents Sam H. Butler, Hartford Accident, and Lloyd Carlton, Fireman's Fund Indemnity, representing the Casualty & Surety Field Men's Association of the Pacific Southwest, conducted a panel discussion before the San Bernardino-Riverside Agents Association at Riverside, Cal., on the new automobile policy.

Ky. Insurer Not Yet Launched

The Kentucky Farm Bureau Federation for some time has contemplated organizing an insurance company to be known as Kentucky Farm Bureau Mutual. However, the company has not yet been organized or licensed.

Southern Indemnity Underwriters, Inc. of Louisville, holding company, was engaged in raising capital with which to launch an insurance company to be known as Southern Indemnity. However, this never came into existence, as the attempt failed before the necessary capital was raised.

Riordan to Head Insurance Society

NEW YORK—Nominees for officers and directors of the Insurance Society of New York, to be voted on at the annual meeting May 26 are: For president, W. A. Riordan, assistant general manager Aetna Life companies; vice-presidents, David C. Beebe, president United States Aviation Underwriters, and A. J. Smith, president Zweig, Smith & Co.; secretary, Edward R. Hardy; treasurer, Frank F. Koehler; directors for three years; F. O. Affeld, Jr., of Affeld, Sowers & Herrick; Henry Collins, United States manager Ocean Accident; C. L. Despard, president Despard & Co.; J. J. Magrath of Chubb & Son, and Earle W. Murray, vice-president Appleton & Cox; for two years, Harold Junker, vice-president of Crum & Forster.

Somerville Talks to Buyers; Lauds Comprehensive Form

MINNEAPOLIS—W. F. Somerville, assistant secretary of St. Paul-Mercury Indemnity, termed the comprehensive general liability policy one of the most forward steps ever taken by the National Bureau of Casualty & Surety Underwriters, in a talk before the Insurance Buyers Association of Minnesota.

In stressing the advantages which this policy has over separate contracts, including unknown hazards, Mr. Somerville warned that "it should not be entered into lightly."

"Rating problems are difficult in the first place and when at the end of the year an adjustment has to be made, there will be more than just auditing to do," he said. "The assured's business will have to be investigated to ascertain what additional hazards have developed the past year and what have been eliminated. Many firms may find that during some sudden expansion hazards have developed. If an accident occurred, they would have been happy with the coverage, but if no accident had occurred to bring the hazard to their attention, they would have been annoyed by the additional premium developed."

Turning to products liability coverage, Mr. Somerville said this line is still in its infancy; there are relatively few rates published and no standard forms. "The underwriting of this line is one of the most interesting of the casualty lines," he said. "Great caution must be exercised not only in the form of policy issued but in the makeup of the goods sold and the territory in which they are sold. We quickly find out in covering a nationally sold product there are certain 'spots' where we get most of our claims."

Tarbell Heads Casualty & Surety Accountants

NEW YORK—Officers of the Association of Casualty & Surety Accountants elected at the annual meeting here are: President, T. F. Tarbell, actuary Travelers; vice-president, H. O. Van Tuyl, chief accountant Phoenix Indemnity; secretary-treasurer, C. G. van der Feen, statistician National Bureau of Casualty & Surety Underwriters (re-elected). A vote of thanks was given C. E. Woodman, comptroller Ocean Accident, retiring president, for his work during his three years in that office.

It was announced that because of war conditions affecting the personnel of casualty companies, detailed statistical plans and procedures in effect in 42 states as to automobile bodily injury and property damage coverage, and as to other casualty lines in 47 states, have been temporarily suspended, being replaced by new and condensed codes and simplified procedures. Advances to that effect have been sent all carriers. Unanimous approval was given constructive changes to appear in the 1942 convention blank, the New York casualty experience exhibit and Schedule "W" in various states.

Changes Made in Countersignature Pact at N. Y. Parley

Agents, Companies Agree on \$20 Minimum Premiums, Exclude A. & H. Policies

NEW YORK—The countersignature commission agreement between the National Association of Insurance Agents and the Association of Casualty & Surety Executives was revised after a meeting here Monday of this week. As revised, it does not apply where the earned premium is less than \$20 and it specifically excludes accident and health policies. Another modification provides that, where the originating agent or broker and the countersigning agent have a previous contract for division of commissions and there is no intervention by the company, the agreement shall not apply.

The original provision for a 5 percent countersignature commission, subject to a maximum of \$50, remains. Originally, there was a minimum commission of \$1, which has been eliminated by the exemption of contracts with a premium of less than \$20. It is not believed that many cases will be affected by the exclusion of cases covered by previous contracts.

Personnel of Committees

The revised agreement was negotiated and signed during the mid-year meeting of the National Association of Insurance Agents here.

The agreement was signed for the National Association by R. W. Forshay, Anita, Ia., president, David A. North, New Haven, vice-president, P. H. Midyette, Tallahassee, Fla., chairman executive committee, and Walter H. Bennett, New York, secretary and general counsel. The company organization was represented by H. C. Michael, assistant to president Maryland Casualty, Kenneth Spencer, president Globe Indemnity, M. W. Heard, vice-president Hartford Accident, J. A. Hall, assistant agency secretary Travelers, and M. J. O'Brien, vice-president Fidelity & Casualty.

George W. Kemper Advanced

SAN FRANCISCO—George W. Kemper has been appointed manager of the accident and health department at the head office of Fireman's Fund Indemnity and Occidental Indemnity. In assuming larger duties Mr. Kemper takes over these responsibilities from L. M. Caldwell, assistant vice-president, who relinquished the management of the department because of additional claims work.

Mr. Kemper, long active in casualty and accident and health matters, started in the business as an office boy in Fresno, Cal., 29 years ago. He is a past president of the San Francisco Accident & Health Managers Club and now chairman of its public relations committee and is secretary of the Casualty Insurance Association of California. He has held that post nine years. He is a member of the committee on group disability insurance appointed by Commissioner Caminetti.

Ehler in Law Practice

Howard L. Ehler, former claims attorney for American Auto, has opened a law office at 100 North LaSalle, Chicago.

Casualty Net Premiums and Paid Losses in WEST VIRGINIA in 1941

	Total		Auto. Liab.		Other Liab.		Fidelity		Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses	Prem.	Losses
Acci. & Casualty Ins.	79,230	37,370	51,076	25,439	2,685	590	836	2,221	3,013	1,405	755	1,556	1,140	18,074	8,015	
Aetna Cas. & Sur.	383,114	68,237	117,900	33,493	106,187	9,297	22,574	2,231	56,143	—934	6,878	1,246	19,603	1,140	51,950	18,493
Aetna Life	270,171	234,787			48	—146									4,398	1,660
Allstate	18,289	4,115	13,891	2,455											5,239	3,009
Amer. Auto.	21,282	7,357	15,963	4,348	80										66,137	37,590
Amer. Casualty	267,941	109,440	168,844	66,490	15,526	1,221			73	6,716	1,531	3,625	359	1,255	244	
American Employ.	10,723	4,438	3,771	1,182	3,252	750	300		637	537	226	898	36	97,031	35,865	
Amer. Fid. & Cas.	508,919	205,383	411,888	169,518												
Amer. Guar. & Liab.	3,152	715					252	221								
Amer. Motorists	507	924	329	550	18		10								106	333
Amer. Mutual Liab.	11,214	4,224	3,113	714	5,679	3,139					41	33			2,394	370
Amer. Sur. of N. Y.	117,182	26,407	12,812	1,221	14,514	2,870	16,153	6,091	54,971	6,072	1,018	360	2,673	1,095	14,993	8,698
Arex Indemnity	1,343		325		179						66		651		122	
Associated Ind.	1,391		47		1,329										15	
Bankers Ind.	7,286	3,707	1,629	770	3,062	2,026					814	422	706		932	361
Buckeye Union Cas.	104,323	60,524	6,349	37,469	8,230	2,095					2,112	601	2,608	2,988	26,357	16,160
Car & General	277		131		5						86		15		40	
Celina Mut. Cas.	4,535	1,239	2,095												1,691	747
Central Sur.	1,740	2,641	—2,670	303	288		180		2,922	1,865	677	203	126	210	170	
Century Ind.	5,603	—247	476		76	7	348	—6	3,722	—260			8		229	6
Columbia Cas.	19,103	16,470	3,959	3,006	2,936	14,411	1,509	—171	1,615	603	1,474	147	332	96	1,743	1,041
Commercial Cas.	164,256	67,543	25,643	6,766	2,754		493		274		538	165	1,923	147	5,489	2,491
Continental Cas.	145,432	64,765	18,985	2,300	12,041	2,002	10,808	375	31,236	26,285	1,497	608	2,693	270	11,986	3,288
Dearborn Nat'l Cas.	1,370	2,398	622	2,252	9						33				606	146
Eagle Ind.	1,308	1,015	407		267		294		258	—17			187		196	100
Employ. Liab. Assn.	68,038	38,853	12,923	8,425	35,311	22,454	1,684		462		2,149	356	5,813	1,452	7,927	5,957
Employ. Mut. Liab.	2,049		416		799										344	74
Employ. Reins. Corp.	92,271	14,213	70,234	8,882	1,164		314		4,456	1,312	15		287		548	9
European Gen. Reins.	120,056	34,945	52,795	11,348	3,194		8,851	—72	11,560	8,763			12,403	489	15,822	5,434
Excess Ins.	3,672	7,631	1,658		140	4,573	91	3,057	1,783							
Factory Mut. Liab.	3,439	533	2,024	201	37								38	36	1,340	296
Farm Bur. Mu. Auto.	396,405	195,368	184,846	93,327	102										180,405	97,522
Fid. & Cas. of N. Y.	419,922	154,273	162,576	72,587	53,383	13,865	50,838	16,897	30,878	1,089	8,763	1,975	18,906	3,520	60,850	37,627
Fidelity & Deposit	91,808	36,678			55,540	33,292	25,764	1,874		2,827	1,252	7,677	260			
Fireman's Fund Ind.	10,306	1,142	941	250	1,319	69	1,796		3,253		91		230		403	365
Gen. Acc. F. & L. As.	77,347	19,347	38,465	3,918	15,437	6,693				675	239	1,450	221	16,941	7,174	
General Reins.	31,074	8,973	8,180	4,287	2,067	7,450	8,355	301	6,789	—3,256	28		1,937	36	2,295	
Glens Falls Ind.	17,758	—130	6,619	262	1,122		87		3,692	2,196	976	127	553		3,384	1,475
Globe Ind.	57,606	26,227	26,265	6,889	9,328	1,990	2,707	6,086	5,317	2,168	593	290	3,016	9	9,620	8,414
Great Amer. Ind.	21,191	4,401	8,876	1,456	2,743	25	637		2,779		552	97	314	494	4,933	2,322
Hardware Ind.	17,259	2,381	5,961	—4	3,990	628					671	160	547	131	6,099	1,466
Hardware Mut. Cas.	16,046	2,953	5,675	529	1,670						1,102	475	164		4,433	1,947
Hartford Acci.	170,842	77,331	57,401	21,518	32,878	21,823	14,154	1,738	25,671	18,748	2,479	583	7,619	624	25,470	11,308
Home Ind.	33,829	12,238	19,305	7,646	2,577	2,135	2,201	—532	1,047		1,096	438		879	6,710	2,551
Inland Mut.	280,069	91,884	169,603	56,566											97,943	32,333
Indem. Ins. of N. A.	20,606	9,069	2,447	2	4,174	3,783	1,006	7,675	5,038	—2,814	67	2	5,584	2,161	4,21	
Liberty Mutual	32,314	12,465	13,381	8,289	13,250	641	773	—5			51		257	72	4,553	3,468
London Guar. & Acci.	107,475	14,131	24,178	2,225	36,622	2,793					1,079	440	1,391		12,238	1,674
London & Lanc. Ind.	45		16						22						6	
Lumberman's Mut.	102,527	53,914	62,329	36,107	8,951	1,615	508	77		518	178	1,884	459	24,211	13,819	
Maryland Cas.	128,359	33,850	32,637	21,661	18,977	1,737	11,266	11	27,944	—883	3,211	948	5,849	366	14,432	5,930
Mass. Bonding	109,202	30,996	85,861	9,376	6,659	177	8,489	409	10,224	4,477	1,513	599	3,723	491	12,418	6,407
Metropolitan Cas.	48,864	19,978	25,571	10,085	2,243	2,130	535		277		1,985	576	1,040	181	3,385	2,040
National Cas.	48,397	14,697	419		97	17	665	9	1,021		98	54	184	82	155	25
National Mut.	2,367	2,685	1,437		1,507								20	901	1,178	
National Sur. Corp.	115,207	17,477			49,097	9,985	52,409	5,434		971	230	11,729	1,827			
New Amsterdam Cas.	82,276	450	22,569	12,045	8,010	626	10,200	639	17,907	—24,991	1,887	487	5,952	2,057	12,194	8,185
New York Cas.	18,917	3,792	1,868		1,379	821	4,022	1,715	6,478	—656	1,461	331	996	182	712	85
Norwich Union	—66		15							—86					5	
Occidental Ind.	2,957	18	42		453		225		1,107						301	9
Ocean Acci. & Guar.	56,232	17,804	11,839	6,811	16,027	3,265	832	—15	1,087	905	1,705	363	2,808	—335	3,842	1,341
Ohio Cas.	781	100			427		100		356		—2					
Ohio Farmers Ind.	4,851	204	3,497	31	119						31				1,172	173
Peerless Cas.	13,353	1,085	7,259				113								4,982	813
Penn. Cas.	165,239	90,351	24,572	14,432											10,677	8,341
Pa. Mfr. Assn. Cas.	1,554	30	988												665	30
Phoenix Ind.	21,628	4,736	10,550	165	4,035	2,270					980	225	1,871	20	4,002	1,872
Preferred Acci.	39,285	7,734	20,468	2,989	1,367	44	1,299	116	5,117		575	155	418	78	8,571	2,118
Protective Ind.	890	9	652		28										210	9
Royal Indemnity	39,366	13,778	16,424	4,582	4,063	2,226	1,501		2,617	—214	1,241	462	2,147	536	6,744	3,037
St. Paul Mercury Ind.	108,313	38,721	43,382	17,240	20,880	8,131	11,426	887	3,564		865	211	1,842	234	22,415	12,911
Seaboard Surety	8,937	8,060			447		55		8,119	8,060					376	
Shelby Mut. Pl. Gl.	4,418	777			1,311	14					2,665	763		442		
Standard Acci.	54,073	17,577	9,244	7,688	6,018	10	2,414	—439	26,301	5,234	742	322	1,852	653	4,065	2,235
Standard Sur. & Cas.	19,749	8,952	13,855	5,048	493	347										

Organized 1875

ACCIDENT AND CASUALTY INSURANCE COMPANY

OF WINTERTHUR, SWITZERLAND

UNITED STATES BRANCH

December 31, 1941

Financial Statement

ADMITTED ASSETS

Cash in Banks and Office	\$ 536,852.33
U. S. Government Bonds	2,035,607.00
Other Bonds	2,043,312.81
Stocks	273,394.00
Other Assets	711,859.39
Total	\$5,601,025.53

LIABILITIES

Reserve for Claims	\$1,262,007.00
Reserve for Unearned Premiums	1,452,892.21
Reserve for Other Liabilities	248,626.32
Voluntary Contingency Reserve	137,500.00
Statutory Deposit with New York	\$ 850,000.00
Surplus Over Deposit	1,650,000.00
Policy Holders' Surplus	2,500,000.00
Total	\$5,601,025.53

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in the above Statement at \$1,359,208.76 are deposited as required by law.

On the basis of December 31, 1941 market quotations for all Bonds and Stocks owned, this Company's total Admitted Assets would be increased to \$5,633,535.36.

OGDEN DAVIDSON
United States Manager

CHARLES A. BARKIE
U. S. Assistant Manager

111 JOHN STREET



NEW YORK, N. Y.

ASSOCIATIONS

Des Moines Club Hears LeMair

DES MOINES—George A. LeMair, secretary of Hopkins & Mulock, Des Moines agency, addressed the Des Moines Casualty & Surety Club on local agents collections and local board agreements for agents entering service. He pointed out that local agents must make prompt collections under present circumstances.

Discussing local board agreements for agents entering service, Mr. LeMair described the model agreement worked out by the Des Moines association, similar to one already in use by the Waterloo board.

The club appointed a committee to send gifts to all casualty agents from the organization now in service.

Talks on Poisons in Industry

MILWAUKEE—Poisons in industry, with special reference to toxic solvents, were discussed by Dr. Elston Belknap at a meeting here of the Casualty Adjusters Association of Wisconsin. In language the layman could readily understand, Dr. Belknap covered the exposures and the necessary investigation, not only by the claim man but sometimes by the physician himself, in searching for the source of exposure and point of entry.

Discuss Fictitious Fleet Pact

LOS ANGELES—The confused automobile situation, including what is likely to happen with the coming into effect of the so-called fictitious fleet agreement, occupied the entire session of the Casualty Insurance Association of Southern California. No action was taken, however, as the agreement does not go into effect until May 1. The automobile committee of the association will take up some phases of the question and is expected to report later.

Adjusters Hear Army Officer

LOS ANGELES—The Casualty Insurance Adjusters Association was addressed by Maj. Gen. Ewing Booth, U. S. A., retired, who had three tours of duty in the Philippines, the last in command of all the troops in the islands. He devoted most of his address to wild rumors that constantly are being heard and declared they should be disregarded. He said that the accomplishments of United States industry in preparing for the war never have been equalled in the history of the world.

The annual picnic will be held May 9.

Sweet Is Pittsburgh President

PITTSBURGH—Newly elected officers of the Casualty Insurance Association of Pittsburgh are: E. D. Sweet, Massachusetts Bonding, president; Walter S. King, United States Fidelity & Guaranty, vice-president, and Fred Miller, Aetna Casualty, secretary-treasurer.

L. U. Jeffries, warden of the Ohio department, spoke before the Columbus Association of Casualty & Surety Women at its April meeting. Miss Leona Eastman is president.

Surplus of Michigan Life

In the listing of Michigan Life in the accident and health section of the Argus Casualty and Surety Chart, the surplus to policyholders is incorrectly given. The company has a contingency reserve of \$125,000 which should have been included in surplus to policyholders making the correct figure \$1,095,234.

School Term Shortened

The term of the Travelers home office schools has been shortened from 16 weeks to 11 weeks as a war measure.

The Insurance Check Chart helps to detect hazards. Get a copy for 75 cents from National Underwriter.

ACCIDENT AND HEALTH

Call Is President of Pacific Mutual

On emergency service for the period of the war, A. N. Kemp, president of Pacific Mutual Life, has been loaned to American Airlines as its chief execu-



ASA V. CALL

tive, as an aid to the war program, succeeding C. R. Smith, who has been called to duty in Washington.

Already a director of American Air Lines, Mr. Kemp will assume the presidency immediately, relinquishing his office as president of Pacific Mutual but continuing to serve as chairman of the board without compensation. Asa V. Call, who has been executive vice-president and counsel for eight years, was named president.

Two Talks on Blood Pressure

Dr. Will Jack discussed "Claim Aspects of Hypertension" at a meeting of the Chicago Claim Association. Prof. Leonarde Keeler, member of the Illinois parole board and consultant for London Lloyds on jewel thefts, discussed "Swings in Blood Pressure Due to Emotional Stress" and demonstrated his lie detector apparatus.

Goodwin Thirty Years with Connecticut General

George Goodwin, secretary of the accident department of Connecticut General Life, has just completed 30 years with the company. He received many flowers and congratulatory messages from friends. He went with Connecticut General in 1912 as underwriter of the newly formed accident department. He was elected assistant secretary of the department in 1919 and secretary in 1932.

Mr. Goodwin has rendered valuable service to the accident and health business as well as to his company. He has been active for many years in the Bureau of Personal Accident & Health Underwriters, serving as its chairman and as chairman and member of many of its committees. He is president of the board of the East Hartford Library, a commissioner of the Metropolitan District, member of the flood control committee and director of the East Hartford Trust Company.

In April Connecticut General is sponsoring a 30th anniversary accident campaign. April 8 was designated as George Goodwin Day, and more than three times the usual number of accident applications were received.

Traffic Safety Contest Winners

Three states, Oklahoma, New Jersey and Oregon, had a composite 1941 mileage death rate 30 percent below the national average, and won top honors in the national traffic safety contest sponsored by the National Safety Council. If the national rate had been at the same level, the 1941 traffic toll would have been 28,000 instead of 40,000.

Six Show Deaths Decrease

Six cities won honors in the contest by cutting their fatalities 31 percent in 1941, compared with a national increase of 5 percent for all cities. The six cities were Pittsburgh, Memphis, Omaha, Manchester, N. H.; Fond du Lac, Wis., and Aberdeen, S. D.

Victory plaques will be presented by the council to governors and mayors of the winning states and cities at an award dinner in New York City April 20. Joseph B. Eastman, director of defense transportation, will be the featured speaker at the dinner. Col. John Stilwell, president of the council, will present the awards.

In addition to the first place awards in the various divisions, grand awards will go to Oklahoma and Memphis. Providence, R. I., and Milwaukee will receive special 10-year awards for outstanding traffic safety performance during the decade the contest has been conducted.

Prospecting Plans Reviewed in Kansas City Talk

KANSAS CITY—Inserting illustrations from his own experience to localize

and personalize leading points, Killis E. Smith, special agent of Great Northern Life, reviewed an address by W. B. Cornett on "Prospecting and Time Control" before the mid-year convention here in January, at a meeting of the Kansas City Association of Accident & Health Underwriters.

Emphasizes Follow-up

Among the incidents with which Mr. Smith "localized" ideas in Mr. Cornett's address were several on the profitability of careful and thorough follow-up of all returns on any prospect-securing device. A return card, for example, might show that the person who returned it was not a good prospect, but a person over age might yield many good prospect names. He emphasized claimants as sources of prospects.

Plaques, in appreciation of their service, were awarded the two past presidents of the association, J. E. Belwood, Connecticut General Life, one of the chief promoters and first president, and M. Z. Abell, Business Men's Assurance, president last year.

Companies Ask Rehearing in Nebraska X-Ray Case

LINCOLN, NEB. — Continental Casualty, Continental Assurance, Connecticut General Life, Aetna Life, Hartford Accident, Maryland Casualty, Ocean Accident and Standard Accident have joined the American Life Convention and Travelers in asking for a rehearing of the Murphy case, in which the Nebraska supreme court held in a divided opinion that when dentist had used an x-ray machine in his work over a period of years, the loss of use of a hand was accidental, although this did not occur for more than two years and after two policies had lapsed.

The attorneys say the decision is of vital importance because of the number

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of similar policies outstanding in the state, and that it will do much to undermine the accident business. They contend the court failed to distinguish between accident and accidental means. They insist that as it is admitted total disability did not commence until two years after the policies had expired, the policy provision that it must result promptly is disregarded.

New Industrial Office of Inter-Ocean in Strong Start

Starting with a bang, the new industrial accident and health office of Inter-Ocean Casualty in Cincinnati began writing during Accident & Health Week. The staff of six men accounted for \$106 of weekly pay business. Translated in terms of commercial, this is equivalent to about \$5,500 in new business on an annual basis.

W. E. Case, the new Cincinnati manager for this Inter-Ocean office, combined the Accident & Health Week drive with a special campaign in honor of President Scherr. Manager Case plans to add several more agents to his staff in the coming weeks and hopes to have about 20 at the end of the year.

To Discuss Effect of War on Agency Management

The effect of the war on agency management will be one of the featured discussions at the agency management session during the annual meeting of the Health & Accident Underwriters Conference in Kansas City the last week in May.

Other topics of particular interest to executives in the accident and health field will share the program with the war topic at that time.

Principal speakers and their topics are: "Manpower and Merchandising in the Accident and Health Business", H. C. Carden, Mutual Benefit Health & Accident.

"Wartime Selling of Disability Insurance", J. M. Smith, Continental Casualty.

"Under and Over-Age Potentials in Agency and Underwriting", Fred M. Walters, General Accident.

The agency management session will be held Wednesday morning, May 27, and will be in charge of the agency management committee, headed by Rex Edmunds, vice-president Fidelity Health & Accident Mutual.

National A. & H. Advancements

H. E. Ritter, who has been with the claim department of National Accident & Health of Philadelphia, has been advanced to underwriter and assistant agency manager. In the former post he succeeds George H. Miller, who is now assistant manager of the accident and health department of American Casualty. He will also assist Vice-president George H. Summers in agency work.

J. F. Aschinger succeeds Mr. Ritter as claim adjuster. He is a graduate of Dickinson college and Dickinson School of Law and has been employed in a Philadelphia law office and in the claim department of another Philadelphia company.

Sell Lists to Globe Casualty

The Ohio department has been authorized by the court to sell the lists of agents and policyholders of Mutual Hospitalization Association of Cleveland, now in liquidation, to Globe Casualty of Columbus.

Keller Named Agency Supervisor

Ernest Keller has been appointed agency supervisor of Federal Life & Casualty of Detroit. He has had a wide experience in various departments, joining the company 16 years ago as office boy and supply clerk. In 1928 he entered the claim department and demonstrated his ability as an adjuster. Later he shifted to the underwriting side and

was appointed chief underwriter in 1937. Throughout his years with the company he has shown a keen interest in production. In his spare time he has developed an independent agency, so as to get a more complete and personal understanding of the work of the producer, and has written quite a substantial volume of accident and health and life insurance.

Underwriting Forum for Bureau

At the annual meeting of the Bureau of Personal Accident & Health Underwriters, to be held at the Westchester Country Club, Rye, N. Y., June 4-5, Raymond

mond Payne, assistant secretary of Travelers, will conduct an "Underwriters Forum," which is expected to be one of the most interesting parts of the program. Mr. Payne is securing from member companies a number of questions that relate to current underwriting problems and there is expected to be general discussion from the floor by various members of the manner in which the companies are dealing with these problems.

White Cross Suspends

The White Cross Medical Service Plan of Massachusetts, a private prepay-

ment plan offering full medical care, has been forced to suspend its coverage for the duration. Reason given is the increasing number of its participating doctors who have joined the armed services.

Federal Proposals Discussed

Legislative trends affecting accident and health insurance, with particular reference to the proposals for including disability and hospitalization benefits under the social security act were reviewed in an off-the-record discussion at the April meeting of the Chicago

Photograph Courtesy U.S. Navy Recruiting Bureau



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Accident & Health Association Tuesday.

The present status of those proposals, possible procedure in getting them through Congress and steps that may be taken to meet the menace which they offer were outlined by C. O. Pauley, secretary of Great Northern Life, and Lyle L. Beach, assistant general counsel of Continental Casualty, who also answered questions from the floor at the conclusion of their talks.

The meeting brought out an especially large attendance, indicating the interest of field men as well as companies in the subject.

North American's Western Meeting

North American Accident will hold its western agency convention June 18-21 at the Hotel Stanley, Estes Park, Colo. This meeting will take in all the territory west of Indiana and Michigan to the Pacific Coast. In earlier years, separate meetings had been held for the coast contingent.

The eastern meeting will be held as usual in September, but the date and place have not been selected as yet.

Several home office executives of North American attended a recent conference at Fort Lauderdale, Fla., attended by about 50 representatives from the agencies of B. A. Gilbert of Jacksonville and J. Ralph Parker of Daytona Beach.

Claim Men Hear Van Scoyoc

Dr. Guy Van Scoyoc, Mutual Life of New York, spoke before the Life & Accident Claim Association of Los Angeles on "The Problem of Cardio-Vascular Diseases as Pertaining to Disability."

Current problems were discussed at a round table session of the Twin City Accident & Health Club in St. Paul April 13.

COMPENSATION

No Rate Adjustment in Ark. Until After Dec. 5

LITTLE ROCK—Arkansas workmen's compensation rates, which in general follow the Louisiana schedule, will be studied after Dec. 5, 1942, to determine whether adjustments are required. An agreement to this effect has been reached by Commissioner Graves with the National Council on Compensation Insurance.

In requesting a delay, the council pointed out that after the Arkansas system was established Dec. 5, 1940, time was required for issuance of policies and thus a full report of underwriting experience for 12 months is not yet available. Commissioner Graves in a recent statement expressed the hope a rate study would be undertaken this year.

After adoption of the Louisiana schedule, the National Council made changes in some classifications in line with suggestions made by the Arkansas legislature.

Most lumber establishments are operating under the self-insurance option of the Arkansas law. Coal mine operators have encountered difficulties in securing coverage.

Ind. Firemen Not Under Law

The Indiana supreme court has reversed the appellate court and held that a municipality is not required to pay compensation to firemen injured in the line of duty. The ruling was made in a case involving the city of Huntington. Mrs. E. D. Fisher, widow of Isaac Fisher, a Huntington fireman, who was killed in line of duty, was awarded compensation by the industrial board and the appellate court sustained the award. The supreme court held that the city acts as a governmental unit, not as a private employer and is forced to em-

ploy firemen according to statutory requirements. Firemen also have their own pension systems and the city therefore is not liable for compensation.

Start Accident Avoidance Course

MILWAUKEE—A wartime training course to avoid industrial accidents will be inaugurated by the safety committee of the Milwaukee Association of Commerce for employees of industry in the Milwaukee area, to conserve man power for war production. Edmund Fitzgerald, vice-president of Northwestern Mutual Life and chairman of the safety division, announces the theme is: "Avoid accidents! They are more dangerous on the home front than saboteurs or hostile planes, because they impair skilled man power and destroy production of essential war materials."

Work on New Tenn. Schedule

NASHVILLE, TENN.—A special committee on workmen's compensation graded expense and graded commissions from the Tennessee Association of Insurance Agents, headed by W. M. Harris of Johnson City as chairman, met here to work on a new expense and commission schedule in line with the expected lower compensation rates due in Tennessee.

SURETY

Many Big Construction Bonds in Southern Cal.

LOS ANGELES—Surety companies have been quite active in southern California the past few days.

Fidelity & Deposit, through its Los Angeles office executed, with 20 other companies as co-sureties, a bond covering the Tacoma (Wash.) Power Project, the contract having been awarded to L. E. Dixon Co. of Los Angeles at its bid of \$5,964,684. Because of Washington law requiring 100 percent labor, materials and faithful performance bond on any contract in the state requiring a bond, this one was for the full amount of the contract.

Aetna Casualty, Fidelity & Deposit, U. S. F. & G. and Standard Accident are the originators of the bond on the railroad for the Navajo Ordnance Depot, Flagstaff, Ariz., the low bidder for which was Arizona Constructors, with a price of \$1,462,000. The low bidder is composed of Pearson & Dickerson Constructors, Lee Moor Contracting Co., Tanner Construction Co. and Phoenix-Tempe Stone Co., all of Phoenix, Ariz.,

Oswald Bros., Los Angeles, and J. A. Casson Co., Hayward Cal.

Maryland Casualty and Massachusetts Bonding are originators of the bond on the bid of United Concrete Pipe & Engineering Co. and Charles L. Koskins, both of Los Angeles, in the sum of \$1,414,928 on the mobile air depot at San Bernardino, Cal.

Fidelity & Deposit originated the bond on the low bid of \$2,097,736 by Johnson, Inc., Minnis & Moody and W. R. Schriber, all of Los Angeles, for the grading at the air depot at San Bernardino.

Guy F. Atkinson Co. of San Francisco and the Kier Co. of San Diego, bidding jointly, were low bidders on the Mojave ordnance depot, near Flagstaff, Ariz. The price was \$9,000,000. Fidelity & Deposit and Maryland Casualty were originators of the bid bond.

Sales Skit in Pittsburgh

PITTSBURGH—A sales demonstration was presented at the meeting of the Surety Association of Pittsburgh Monday, with William Osborn, Aetna Casualty, as the prospect; James T. McMahon, Fidelity & Casualty, the company representative, and W. J. Zwinggi of Logue Brothers the home town agent.

Officers of the association have been reelected: A. C. Supplee, United States

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Fidelity & Guaranty, president; E. D. Sweet, Massachusetts Bonding, vice-president, and H. S. Bepler, Manhattan Fire & Marine and Virginia Fire & Marine, secretary-treasurer.

Does "May" Mean "Must"?

LINCOLN, NEB.—To settle a dispute between Attorney-general Johnson and County Attorney English of Omaha, the latter has filed a request in court for a declaratory judgment to determine whether the word "may" in an act of the 1941 legislature that county boards may pay bond premiums of county officials and employees is mandatory or whether it confers discretionary power on those boards. The county attorney advised the Douglas county board that it possessed discretionary power and it has been paying only part of the premiums. The attorney-general holds that the word "may" means "must." Seventy bonded county employees who paid the premiums have claims on file asking for refunds.

Ia. Fire Mutual to Bond Field

DES MOINES.—Iowa Home Owners Mutual has been changed to Hawkeye Mutual Bonding and hereafter will write only fidelity and surety bonds.

Iowa Home Owners, organized in 1933 has been principally a fire company as a subsidiary of Hawkeye Casualty. The fire business will be reinsured by Mill Owners Mutual of Des Moines.

George Olmsted is president of Iowa Home Owners; Edgar Musgrave, vice-president, and C. S. Miller, secretary-treasurer.

CHANGES

Robert H. Webb in Cal. Post

Robert H. Webb, who has been connected with the Chicago agency of Conkling, Price & Webb from the time he finished college and who for the last two years has been operating as a broker with headquarters in that office, has decided to become located in California. He has made a connection with the Leo G. McLaughlin Company in Pasadena which does an investment, real estate and insurance business and has been operating there for more than 40 years. Mr. Webb is the son of Lew H. Webb, senior partner of Conkling, Price & Webb, who is president of the National Association of Casualty & Surety Agents.

Langtry Los Angeles Manager

LOS ANGELES—W. R. Langtry, who became assistant manager of the Los Angeles office of United Pacific Jan. 1 has been appointed manager to succeed C. B. Birkenmeyer, who has gone with American Automobile in Portland, Ore.

Mr. Langtry started with United Pacific in 1931 and continued until 1940 when he resigned as special agent to enter the brokerage business in Los Angeles. He returned to the company the first of this year.

Jackson to Employers Mutual

M. D. Jackson, city engineer of Stevens Point, Wis., for 12 years, has joined

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Employers Mutual Liability of Wausau as safety and construction engineer and has been assigned to Camp McCoy, Wis., where the army has an expansion program under way.

Povenz to Port Huron Agency

Walter A. Povenz, for seven years chief underwriter of Aetna Casualty in Detroit, has joined the Moore & Wright Co. agency, Port Huron, Mich., as vice-president in charge of industrial and commercial accounts. Before his Aetna connection he was for seven years with

the National Bureau of Casualty & Surety Underwriters.

Wyckoff with Am. Casualty

C. B. Wyckoff, surety specialist for the past 15 years, has been appointed special representative of American Casualty, operating out of Newark and Philadelphia. His experience includes connections with Fidelity & Deposit, National Surety and Central Surety.

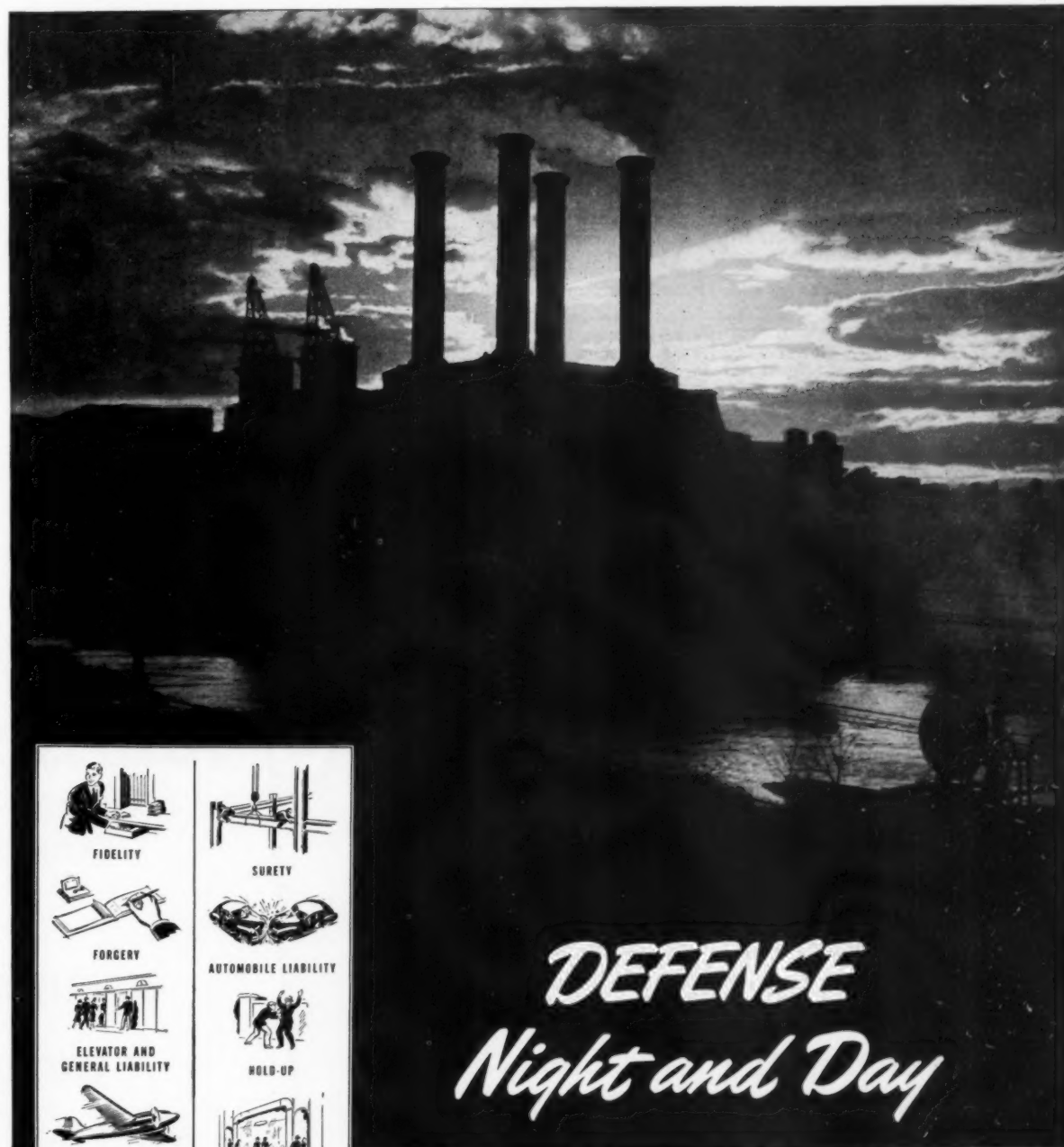
Babcock Assistant Treasurer

William D. Babcock, Jr., has been appointed assistant treasurer of Manufac-











turers' Casualty. He is a graduate of the business school of the University of Pennsylvania, and joined Manufacturers in 1934. For several years he has been in charge of the accounts department of both Manufacturers Casualty and Fire companies.

Louis D. Maupin has joined the Los Angeles office of the Ocean Accident and Columbia Casualty as underwriter.

H. E. Wood, vice-president of Pacific Indemnity, is in a serious condition, following a major operation for removal of a tumor.



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PERSONALS

F. S. Brown, vice-president and secretary of Standard Accident, marked 35 years of service with the company April 1. Another Standard officer, **R. H. Platts**, vice-president, recently attained 30 years of service.

E. C. Owen, district manager of Fidelity & Casualty in Oklahoma City, who underwent a serious operation recently, is reported recovering rapidly.

F. B. Alldredge, superintendent of the accident and health department of Occidental Life of California, is the proud grandfather of a baby boy born a few days ago to his daughter, Mrs. Janet Pagliuso. His son, William S. Alldredge, now is a first lieutenant in the army, assigned to the field artillery and stationed at Camp Roberts, Cal.

Mrs. Beverly R. Van Buskirk, daughter of **C. W. Fairchild**, general manager Association of Casualty & Surety Executives, has been notified by the Navy Department that her husband, Lieutenant Van Buskirk, is missing in action. Lieutenant Van Buskirk was in the submarine service, on duty in the western Pacific theater of naval operations.

DEATHS

Merle D. Jones, 43, superintendent of the liability department of Standard Accident, died. He became ill in Richmond, Va., recently but apparently had recovered. However, further trouble necessitated an operation from which he did not recover. He was a former president of the Standard's Ten-Year Club, and a year ago was honored on his 20th anniversary with the company.

He started with Standard as a clerk in 1921, later transferring to the liability underwriting department on general underwriting work. In 1931 he was made chief underwriter and in 1936 superintendent of the liability department.

The body of **Bernard Simon**, 64, field superintendent of Kentucky Central Life & Accident, who occupied a 12th floor room at the Jefferson Hospital, Philadelphia, was found in a courtyard beneath his window. He had suffered from a heart ailment. He was with the company 25 years.

M. Nelson Bond, 54, for many years Baltimore representative of Travelers, and a noted breeder of show horses and ponies, died at his home there.

Walter Tierney, who was with the Chicago agency of Conkling, Price & Webb for five years until he entered the

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navy last fall, has been officially reported missing and it is believed that he was on either the Langley or the Pecos.

War Topics Before Mid-Year Gathering

(CONTINUED FROM PAGE 3)

persating an owner of ordinary property, but that it would undoubtedly lose no time in rebuilding an important war plant.

Mr. Bennett reviewed the passage of the bill creating War Damage Corporation and the preceding steps. During the discussion which followed, the most important point in the minds of the agents was the coverage of intangible property, such as currency, stock certificates, bonds and the like. A motion passed urging the companies and the government to provide protection for this property. Mr. Bennett said that the law, providing protection for "real and personal property," is not clear on this point and so far there is no indication as to whether War Damage Corporation intends to cover these items, or may do so legally if it so wishes.

Jones' Statement Lauded

The statement of Commerce Secretary Jesse Jones on Dec. 13 that a \$100,000,000 corporation would be established to insure war damage was characterized by Mr. Bennett as the greatest piece of public relations work of the present national administration. He described the passage of the bill and said he had been informed that Mr. Jones had agreed to submit his final plan for handling this insurance to Congress for approval, as a condition to the quick passage of the law. He called the bill itself a model of clarity and straightforward expression, pointing out that it simply provides that RFC shall empower WDC to use its funds to provide reasonable protection, by insurance, reinsurance, or other means, against loss to real and personal property from enemy attack, including measures to meet an attack. It requires the WDC to establish uniform rates for the different classes of property and makes it mandatory for the system to be established by July 1.

In addition to the coverage of intangibles, other points raised in the discussion were the coverage of indirect damage losses and the role of agents and private carriers. Virtually everyone present, including Mr. Bennett, concurred in the sentiment that the government should not insure any risk which private companies will assume. He said that in his opinion the law will not permit WDC to cover losses caused by friendly forces, such as aircraft crash, not connected with actual fighting. This feature, and the probable greater speed in payment of losses, were suggested as advantages to private coverage, where such is available.

Normandie Loss Disgraceful

The ballroom was packed with an overflow crowd for the banquet which was featured by nine speeches, lasting until 11:30. Four participants spoke over the wires from Washington. They were Senator R. F. Wagner of New York, sponsor of the War Damage Corporation bill, who discussed the purpose of the government insurance plans, emphasizing that the purpose was to establish a low rate which would encourage maximum voluntary participation of citizens, prevent raids on the Treasury after the war and utilize existing insurance facilities; Senator J. E. Murray of Montana, chairman Senate small business committee; and Theodore Granik, chairman "American Forum of the Air." James M. Landis, Director Office of Civilian Defense, who had been billed as a speaker from Washington, was unable to participate.

Speakers in person were L. H. Pink, New York insurance superintendent,

Newbold Morris, president New York city council, Randolph Paul, assistant to the secretary of the treasury, Drew Pearson, newspaper columnist and Senator J. C. O'Mahoney of Wyoming.

Mr. Pink discussed the services of insurance to the war effort. He called the wrecking of the "Normandie" the most lamentable and disgraceful event of the war, because it was due to rank carelessness, and said that it would not have happened had the ship been insured as the companies would have discovered the bad conditions and insisted on their correction.

Paul Reviews Tax Problem

Mr. Paul said the Treasury department is working on the problem of taxation of mutual and stock company taxation and he hopes the result will be satisfactory to all. He is opposed to a federal sales tax, on the ground that it hits the lowest income groups hardest, taking a progressively smaller portion of larger incomes. He denied that such a tax is necessary to prevent inflation and claimed that the main increase in income is being realized by persons now paying income taxes. He also said that it would provoke inflation and that it would not produce the revenue many expect.

Pearson Gives War Picture

Mr. Pearson reviewed the good and unfavorable sides of the war picture and the situation in the government. He did not minimize the seriousness of the situation and criticized the frame of mind of many officials and members of the house that a successful offensive can wait until 1943 or 1944. He said that the Axis knows it must win in 1942 or never and, unless America drives with all its heart, there may not be any 1943. On the other hand, if the supreme effort is made, victory in 1942 or early 1943 is not impossible.

Mr. Morris and Senator O'Mahoney

pleaded for unity and straightforwardness during the time of crisis.

The executive committee of the N.A.I.A. will probably not decide on the time and place of the annual meeting, but will defer action until transportation and other conditions are more definitely outlined later on. Denver has made a bid for the convention. It can be said, however, that it will be held in some central point.

There were 775 registered at the meeting including company people.

At the Wednesday morning meeting the central theme was fire defense which is very vital to national defense. There were two talking motion pictures exhibited illustrating the more common features of fire defense especially in the homes. There were four set speakers on the program, they being H. N. Mann of Tacoma, chairman fire prevention committee, National association, who flew to New York for the meeting; J. B. Gontrum, Maryland insurance commissioner and state fire marshal, chairman fire prevention committee National Association of Insurance Commissioners, H. A. Allen, Burlington, Vt., president Vermont association and H. W. Bradshaw, Delphi, Ind.

Educational Films

President Forshay, in opening the meeting, stated that the insurance industry knows the importance of fire defense. Mr. Mann stated that it is necessary to know how and what to do when danger comes. Educational films, he said, have been widely used to inform the public on fire defense. One feature of incendiary bombs is to light up the landscape so that heavier bombs can be used.

Mr. Gontrum declared that the people should not take too much for granted. Perhaps actual bombing will not occur, but preparation should be made to meet it if it does happen. He said that the domestic enemy of fire is more important to conquer than uncertain bombing. People can prepare

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for fire, he said, but they are very complacent and are not much impressed with the amount of fire losses. He called attention to the fires that have already occurred that destroyed war material which are due to carelessness. The Normandie, he said, is a monument to stupidity and carelessness. It is highly necessary, he asserted, to have more efficient fire protection. Property owners should realize that in payment of premiums they are all contributing to loss payment. Greater care should be taken, to prevent forest fires from raging. The insurance commissioners are doing much to educate the public in different ways on the necessity of fire protection effort.

The last session took place Wednesday afternoon, it being one of the most instructive of the convention features. It was a forum discussion centering on the local agent in a world at war and was presented from three angles—agency management and finance, service to clients and public and sales efforts. L. C. Hilgemann, Milwaukee, national executive committeeman, was discussion leader, assisted by H. H. Hendren, Sacramento, Cal., and Alvin S. Keys, Springfield, Ill.

Burglary Underwriters Are Watching Developments

NEW YORK—Burglary underwriters are tightening up somewhat on their requirements with the increasing demand for burglary coverage. They are checking rather carefully into both the physical and moral hazards and in some cases, such as with tires, are requiring watchmen if conditions appear to require them. So far, there has been no appreciable increase in losses, but a higher loss ratio is anticipated if present conditions continue. Tire losses have been increasing, but the situation is not in the serious stage.

Many merchants have stocked up in excess of normal requirements in anticipation of a possible shortage and the demand for burglary coverage has been brisk. Burglary coverage is often requested now on articles which in the past would not have been thought of as subject to a burglary hazard because of the priorities situation. Machinery parts and tools are articles on which burglary coverage is requested.

Most show window losses have been caused by youths between 18 and 25 years old. However, the fact that almost everyone is working or can get a job and the fact that many of the younger men have gone into military service are seen by some underwriters as evidence of continued favorable experience in this connection.

Great Central Mutual Audit

Great Central Mutual of Peoria, Ill., as of June 30, 1941, had assets of \$70,962 and surplus of \$53,026, according to the report of an examination made by the Illinois department. The examiners state that the cash position is ample for current operating requirements and surplus funds are invested in liquid securities. Policy claims appear to have been settled promptly and in an equitable manner. The company specializes in burglary insurance and writes holdup, burglary, theft and counterfeit fraud policies. J. S. Flanigan is president and E. G. Kuecks is secretary. It is licensed in Illinois, Missouri and Indiana. For the first six months of 1941 the premiums received amounted to \$75,032, losses paid \$18,874. There is business life insurance on Mr. Flanigan, Mr. Kuecks and Claude D. Kitchell, attorney, the policies having a cash value of \$9,395.

Somerville to Address Adjusters

W. F. Somerville, assistant secretary St. Paul-Mercury Indemnity, will speak at the 1942 convention of the National Association Independent Adjusters in St. Louis June 11-13.

Numerous Changes Made in War Risk Rates

(CONTINUED FROM PAGE 19)

anean ports via Cape of Good Hope were increased from 8½ percent to 10. On shipments to and from the Red Sea and Gulf of Aden, the increase was from 7½ percent to 10 percent.

Between the United States and Eastern ports east of the Gulf of Aden but not east of Cape Comorin (at the southern tip of India) via Cape of Good Hope the rate was increased from 9 percent to 12½. Shipments to and from Ceylon via Cape Good Hope were raised from 10 percent to 15. Shipments to and from Indian ports east of Cape Comorin were placed on a quoted-on-application basis as were shipments to India and the Persian Gulf via the Panama or trans-Pacific routes. Shipments between the United States and Greenland were increased from 4 percent to 6 and the rate to or from Iceland was increased to 7½ percent. A number of increases were made on western hemisphere voyages.

N. Y. Auto Claims Dinner

NEW YORK—The Automobile Claims Association of New York will

hold its annual dinner and installation of officers Friday evening. E. C. Keating, Great American, will take over the presidency from W. C. Euler, Appleton & Cox. Other new officers are: E. J. Moran, London Assurance, vice-president; K. C. Maines, Appleton & Cox, secretary, and T. C. Cartledge, Automobile Underwriters Corporation, treasurer. There will be an elaborate program of entertainment.

Open Home's Cincinnati Office

CINCINNATI—About 100 agents and friends attended the formal opening of Home's new Cincinnati service office. O. F. Rieg, the new manager, formerly was special agent in the Ohio state office, of which H. H. Chittenden of Columbus is manager. Out-of-town guests at the opening included Leonard Peterson, vice-president, L. Vaughn Grady, secretary Home Indemnity, Mr. Chittenden, R. W. Nelson and C. E. Williams of the Columbus office. The new Cincinnati office will handle all lines for the Home companies.

Bituminous Casualty Ranks 50th

Bituminous Casualty of Rock Island, Ill., was inadvertently omitted from the comparative standing of companies by

Fire Losses in March Are 3% Below '41 Record

NEW YORK—Losses in March are estimated by the National Board at \$30,505,000, which is 3 percent less than March of 1941. For the first quarter of this year losses were \$96,809,000 as compared with \$84,043,000 last year.

admitted assets shown on page 177 of the 1942 Argus Casualty Chart. This company, with admitted assets of \$0,095,227, should be shown in 50th position.

State Farm Nebraska Meetings

The State Farm companies will hold meetings in April and May in five Nebraska cities. George Davies of the home office will talk at Grand Island April 20 to district and local managers on a training program that the company proposes to set up for personnel. Regional meetings will be held between May 11 and May 15 at Lincoln, Norfolk, Grand Island, North Platte and Scottsbluff, at which Charles Conklin, head of the home office underwriting division, and C. V. Dunnock, division claim manager, will deal with underwriting and claim problems.

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N.A.I.A. Educational Plan Completed

(CONTINUED FROM PAGE 5)

gram is based upon the discussion rather than the lecture method of presentation, and that in order to retain the benefits of the discussion technique, it is recommended that the number of students enrolled in classes be not less than 15 nor more than 50. It is suggested that competent discussion leaders may be obtained from the ranks of local agents, special or state agents, adjusters or other company representatives, including when available home office executives. The National association's educational division is furnishing detailed technical outlines to discussion leaders. Experts in each of the classifications of study have prepared this data at the request of the educational director. Copies of outlines will also be furnished to the students.

Outline Material Assembled

The outline material for each unit is assembled in booklet form and is arranged in orderly fashion in as many consecutive two-hour assignments as the length of time required to complete the individual courses will allow. For example, outline data for a four-hour course is divided into two connecting two-hour sections. In this manner the subject matter studied in each branch is presented in logical sequence, without duplication or repetition, and under this arrangement each discussion leader regardless of the number of teaching assignments he may handle, always knows exactly where to begin and where to end the discussion period.

The program is designed to be of such flexibility that it can readily be adaptable to the particular type of educational activity already in operation or planned for the future on either a local, county, regional or state-wide basis. As the greatest number of agents can be benefited if the school is brought to them

in their own communities, local study groups are recommended.

There is a manual for local study group committees explaining in detail the procedure for establishing and carrying on such a group.

In many localities typical local study groups under the sponsorship of local boards and in some cases, insurance women's organization, are already in existence and the adoption now of the educational program may well be a satisfactory solution of their own present and future planning problems.

It is believed that the entire 100-hour curriculum will lend itself to the program requirements of state-wide short-course schools.

Avoid True-False Technique

The examinations to be given call for questions of the problem or case-history type rather than the true-or-false type. These examinations will constitute a test of each unit course subject as a whole and shall offer the opportunity to students to show their powers of independent thought. The questions will be furnished by the educational director, and the completed examination papers are to be returned to him for grading. The questions will originally be prepared and the papers eventually graded by experts.

In connection with the certificate awards granted to students completing the course of 100 hours under certain conditions, students who have participated in organized agency educational work in their own states heretofore may receive credit toward the certificate. Upon satisfactory certification to the educational director by the proper state association officer, full credit will be granted to such interested students up to a maximum of 80 hours relative to the 100-hour requirement.

There will be a basic fee charge of 15 cents per hour per student. The operating costs of the educational division are being shared by the National Board and the Association of Casualty & Surety Executives as well as by the National association itself, and the intention is eventually to make the program as nearly self-supporting as possible. There will be additional charges to defray local expenses.

The educational division has published a leaflet guide for discussion leaders and another for students.

In accident and health, the first session of two hours would be divided: Historical background, 10 minutes; standard form contract, 60 minutes; use of manual, classification of risk, premium rates, 35 minutes; selection of risk—preparing application, 15 minutes.

The second session would consist of: Special forms of policies, 80 minutes; loss procedure, 20 minutes; sales program, need for income protection, 20 minutes.

* * *

The agency management course would consist of: Discussion of agency expense analysis compiled by the NAIA, 1 hour; the development of a profitable agency, the employer—insurance education; training; planning; survey work; N.A.I.A. code of ethics, 1 hour; the employee, selection and training; the inside salesman; three types of contacts with public, 1 hour; the tools, office equipment, careful selection; efficient arrangement, necessary conservation, etc., 1 hour; system, adequate expiration controls, collection follow-ups, etc., 1 hour; productive records, discussion of various kinds of line records in use, 1 hour; local agency advertising; the need for advertising; the how of advertising; coordinating advertising with selling, 1 hour; local agency public relations, What is good public public relations effort, allies of local agency public relations, summary, 1 hour.

* * *

The automobile course would include: Automobile material damage, the private passenger car, 2 hours; automobile material damage, the dealer, fleet, public and automobiles other than the private passenger car, 2 hours; analysis and explanation of the standard automobile lia-

bility policy, 2 hours; defining and rating of private passenger, commercial cars and truckmen risks, 2 hours; same for public automobile school bus risks, etc., 2 hours; same for contingent and non-ownership risks, 2 hours; same for miscellaneous types of vehicles, and discussion of combination policy and comprehensive automobile policy, 2 hours; analysis and explanation of standard garage liability policy and rating thereof, 2 hours.

The boiler and machinery course is: Introduction, 5 minutes; history of boiler and machinery, 10 minutes; engineering inspection service, 15 minutes; insuring agreement and policy conditions, 90 minutes. Then: policy schedules, 35 minutes; policy endorsements, 45 minutes; rating structure, 20 minutes; advantage to agents of knowledge of boiler and machinery, 10 minutes; sales program, 10 minutes.

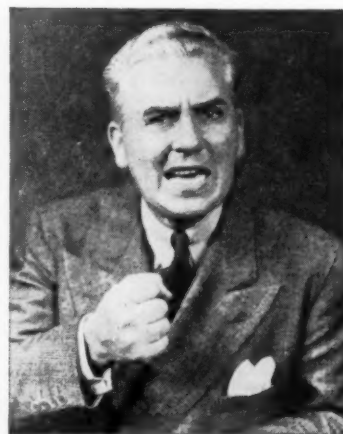
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In burglary and glass the time table is: construction of a typical burglary policy; definitions of trade terms; discussion of residence burglary, theft and larceny policy, 2 hours; other robbery, burglary and miscellaneous including interior robbery, messenger, paymaster, safe burglary policy, open stock burglary, storekeeper's and office burglary and robbery policies, innkeepers' and warehousemen's liability policies, 2 hours; all risk policies, including premises all risk, messenger, securities deposited with public officials policy, comprehensive D.D.D., money and securities

destruction policy, accounts receivable, valuable papers, 2 hours; bank and safe deposit policies, including bank burglary and robbery, blanket safe deposit box burglary and robbery, safe depository liability, individual safe deposit box burglary and robbery securities policy for lessees of safe deposit boxes, 1 hour; and glass insurance, 1 hour.

* * *

On fidelity and surety bonds, the course is: preface, brief history and development of suretyship, discussion of what a bond is and what purpose it serves, fidelity bonds, 2 hours; the insuring clause, name bonds, and position bonds, individual and schedule, blanket position bond, primary commercial blanket bond, 2 hours; blanket bonds for banks, brokers, building and loan associations, others, comprehensive "3D" policy, consignees' and agents bonds; public official bonds, "faithful performance of duty," money-handling officials, non-money-handling officials, bonds for employees of public officials; forgery bonds, depositors' forgery bond, depositors' and commercial forgery bond, family forgery bond, and others, securities bonds, bankers' forgery bond, lenders form, 2 hours; judicial bonds, fiduciary bonds, short and long term risks, joint control, judicial (court) bonds required by plaintiffs and defendants, collateral and third party indemnity; bond required by federal government, state and other governmental subdivisions, depository bonds, lost instrument bonds, 2 hours; contract bonds, construction contracts, public and pri-



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vate, purposes, parties to the contract and obligation of each, financial statement, analysis and importance of supply contracts, other forms of bonds required, such as bid bonds, cost-plus-A-fixed-fee contract bonds, completion bonds, indemnity bonds, financial guarantee bonds, 2 hours.

On fire insurance and allied lines the breakdown is: Standard fire policy and forms, introduction and the basic contract, 2 hours; printed conditions of policy, 2 hours; policy provisions relating to loss and standard forms used in effecting fire insurance contracts, 2 hours; other property insurance contracts, windstorm, hail, explosion, riot and civil commotion, aircraft and motor vehicle property damage, smoke damage, extended coverage, 2 hours; vandalism and malicious mischief endorsement, earthquake, sprinkler leakage, water damage, tenant's improvements and betterments, automatic builder's risk, inherent explosion, demolition, 2 hours.

* * *

Also: Reporting forms, Interstate Underwriters Board, broker of record letter, I.U.B. forms, I.U.B. forms No. 1 and 5, I.U.B. class floaters form, interstate reporting form "A," single state reporting forms "A" and 1; other reporting forms, 2 hours; consequential loss contracts, rent and rental value, leasehold, profits and commissions, unearned premium, extra expense, rain, 2 hours; business interruption insurance, contingent business interruption, tuition fees, 2 hours; discussion of general rules and regulations applicable to fire insurance and allied lines, rules of practice applicable in state, 2 hours; rates and rating methods, fire and other forms of property insurance, 2 hours.

In the inland marine course the outline is: Foreword, historical background, nationwide definition, basic fundamentals, 2 hours; I.M.U.A., its purposes, formation and operation, 1 hour; personal property floater, 1 hour; all risks jewelry-fur floater, fine arts floater, other miscellaneous personal floaters, 1 hour; transportation forms of policies, both direct interest and legal liability, covering shipments by vessel, railroad freight, express, motor truck and parcel post, 1 hour; bailees' forms, such as laundries, cleaners and dyers, and furrier's customers, registered mail, armored car and messenger policies, bridge and tunnel policies, 2 hours.

* * *

In public liability and compensation the division is: The law of negligence, 2 hours; the beginnings of liability, 1 hour; manufacturers' and contractors' public liability, 2 hours; O. L. & T., 2 hours; elevator, 1 hour; owners' or contractors' protective liability, 2 hours; product liability, 1 hour; contractual liability, 1 hour; comprehensive liability, 2 hours; employers' liability insurance, 2 hours; workmen's compensation insurance 4 hours.

In the course on miscellaneous subjects, the material is: Aviation insurance, introduction, 10 minutes; discussion of the forms and rating procedure of aviation insurance, 85 minutes; the federal supervision of aviation activities and discussion of insurance requirements of special federal aviation programs, such as the civilian pilot training program, 15 minutes; sales program, 5 minutes; the future of aviation insurance, 5 minutes.

* * *

Also: State insurance laws, (with respect to this subject, separate outlines will be required in accordance with the specific provisions contained in each state's insurance laws. For illustrative purposes, the following discussion topics relate to specific sections of the New York laws): Insurance agents, definition and exemption, license prerequisites, fiduciary relationship, resident agency law; insurance department, superintendent, insurance board, deputies, regulatory powers; policy forms, standard fire policy, uniform riders and supplemental contracts, motor vehicle liability policy, liability standard provisions, conformity of policies, insurable interest, premium rates, definitions, rating organizations, rate making, filing and charging, rebating and discriminations; insurance company finances, admitted assets, liabilities, investments, deposits and trustee funds, kinds of insurance companies and their powers, insuring powers, stock, mutual, reciprocals and cooperatives, limitations, restrictions, prohibitions, limit of risk, destroying property insured, false proofs of loss, false rumors about insurer, 2 hours.

Order Direct Reading Rate Finder & Cancellator, \$2, from National Underwriter.

Mutuals Put Up Fight Against U. S. Tax

(CONTINUED FROM PAGE 21)

profit-making stock insurance and profit making industry generally, since stock companies have not been and are not now subject to the capital stock tax, they are exempt from the declared value excess profits tax, and they were not subject to the undistributed surplus tax provisions.

Compares Rate of Return

Comparing the profits of stock insurance companies with other profit making enterprises, Mr. Gruhn cited figures for the years 1928 through 1939. During that time all corporations of the United States submitting balances to the United States Treasury showed an average annual rate of return of 3.2 percent. For the same period the stock fire companies showed an average rate of return of 10.1 percent and the stock casualty companies 10.3 percent, he said. Contrasting the amount of net profits paid in federal income, undistributed surplus, and excess profits, Mr. Gruhn said that in 1937 the manufacturing companies paid some 17 percent of their net profits to the federal government while the profit-making stock companies paid only about 8 percent. He asserted that the stock companies are in the happy position of making more profit and paying less taxes than the industrial companies of this country.

Saying that the ratio of stockholders investment to assets in stock companies is surprisingly low Mr. Gruhn took as an example a company which in 1940 alone paid out dividends representing 85.3 percent of actual cash invested in the company while for the 10-year period 1931-1940 the average was 74.7 percent on the basis of cash invested.

Income to Individual

Declaring that mutual insurance does not deprive the federal government of its fair share of taxes, Mr. Gruhn said the government gets proportionately just as much or more revenue out of the premium which goes into the mutual companies as it does in taxes from the stock insurance companies. Dividends returned by mutual companies to their policyholders must be included in the tax returns of such policyholders and increase their taxable income.

Mr. Gruhn said that on the basis of a 15 percent rate of taxation, commercial policyholders of 19 mutual casualty companies, assuming a 20 percent dividend, had an increase in their incomes subject to taxation which produced income taxes to the federal government amounting to around \$11,000,000. Each \$1,000 of premiums paid to the mutual companies resulted in federal income taxation of approximately \$25 while each \$1,000 of premiums paid to the stock casualty companies resulted in payment of \$12 in federal income taxes. Even if credit is also given to the stock companies for the income taxes which may have been paid by their stockholders on profit distributions during the same period and assuming that these stock company stockholders paid federal income taxes on every dollar of their profit receipts at the 15 percent rate the grand total of federal income taxation produced by both the stock company payments and the payments by their stockholders was not more than \$20 per \$1,000 of premium income, Mr. Gruhn asserted.

Different Interpretations

Mr. Gruhn said that the Treasury's proposed formula goes considerably beyond taxing mutual companies on the same basis as stock companies because the formula is capable of a number of different interpretations, each producing a different tax depending on the person who attempts to apply the formula. It is possible from one interpretation to produce a tax of 30 to 40 percent higher than another, he said, and it is only natural that if the proposal should be

adopted the interpretation providing the greatest tax would be the one adopted by the bureau of internal revenue in each case. In practically all cases the application of the formula would require a mutual company to pay a higher tax than a similar profit making stock insurance company, he said.

"The mutual formula does not allow deductions, particularly reserves, on the same basis as they are at present allowed stock companies under section 204," he said. "This is because of the peculiar theory related to the use of the word 'claimable' which would allow as deductions only those claims definitely determined but unpaid at the close of any given year. As we understand the Treasury idea, the word 'claimable' is intended to mean returnable to the policyholder and loss claimant upon demand. As we understand the Treasury, mutual companies would not be allowed to deduct the additions to reserves required by law.

"Applying the formula at the rate, which we understand is to be proposed, that is, 55 percent, we find that a non-profit mutual company would be taxed $2\frac{1}{2}$ to 4 times more than a similar profit-making stock company. This is assuming that the present rate applicable to stock companies is not to be changed. If it is the intention to tax the stock and mutual companies at the same rate, without putting them under the same formula, then that margin of difference would be narrowed, but a mutual company would still be required to pay a greater tax than a similar stock company."

Mr. Gruhn said he understood that several members of the Treasury staff believe that a mutual company should not be permitted to accumulate a surplus except as such additions to surplus are taxed as profits. He attacked this view as overlooking the absolute necessity for adequate reserves and surplus funds. He contended that surpluses are necessary not only to meet the requirements of state laws but to meet all unusual and catastrophic losses. There is no rule of thumb method of determining the exact amount which companies should be permitted to retain or which they should carry, because of the varying circumstances, he said.

Where the Title Rests

"The surpluses of mutual companies are not profit because they cannot be used for distribution to stockholders as profits," he said. "They at all times belong to the entire group of members who own the company. Title to them may be in the company but title to the company rests in the member policyholder. Title to these funds does not rest in management or any other third party."

Mr. Gruhn attacked the proposal to exempt mutual casualty companies whose net taxable income does not exceed \$25,000 and which do not write insurance on any property having a value of more than \$50,000 as definitely and unfairly discriminatory. He also declared that "for more than a year stock fire and casualty companies of stock agent groups have been waging an organized propaganda campaign pointed at the United States Congress in an effort to sell this 'disparity' idea."

H. L. EKERN

H. L. Ekern, Chicago attorney and former Wisconsin insurance commissioner, said that Mr. Paul's proposals regarding taxation of mutual companies and associations other than life seemed to indicate a misunderstanding as to the operation and taxation of these organizations.

Mr. Ekern said the suggestion that these nonprofit mutual companies and associations are to be criticized because

they pay no tax fails to recognize the basis for the consistent policy of Congress with reference to these companies throughout the history of federal corporation and income taxation. He said that while the proposal mentioned only mutual casualty companies, the interpretation and administration of past and present revenue acts makes it seem likely that it was also designed to include farmers or other mutual hail, cyclone or fire insurance companies or associations. In the operation of these companies and the mutual casualty companies there is no substantial difference in principle or practice, he said.

Difference Long Recognized

Mr. Ekern declared that "the justice of granting to these mutual insurance companies and associations, subject only to conditions prescribed by Congress, the exemptions so granted to other nonprofit organizations and granting to those not exempt such special deductions as are necessary to fit their plans of operation in the interest of their policyholders, has been and is consistently recognized in the revenue acts, the Treasury regulations, and the rulings by the commissioners and the bureau of internal revenue and in court decisions."

Regarding the proposal to base the right of exemption by size of an individual risk insured and by the showing of a net income of not more than \$25,000, Mr. Ekern criticized as wholly unsound and impracticable any test based on size or volume of operations. The test based on limited taxable income would also leave it to be determined until the end of each taxable year whether the nonprofit mutual company is or is not exempt, he pointed out.

Mr. Ekern reviewed the various revenue acts and regulations of the Treasury, showing that the question of exemptions and deductions for mutual companies and associations had come up before and that the present basis had been agreed on as proper and legal.

Stresses Service Angle

"This long established recognition of the right of these mutual companies and associations to be exempted or to have deductions which leave no income subject to tax is based upon the recognition that these 2,500 companies and associations in the United States operated on a nonprofit basis are rendering a service to their policyholders and the public equal to that of the mutual savings banks, cooperative banks, and building and loan associations, other cooperatives, farmers and labor organizations, business leagues, chambers of commerce, real estate boards and boards of trade which are now granted full exemption from the payment of income taxes," he said.

"It is believed that in the present emergency it is most important that the service of these mutual insurance companies and associations be maintained on a basis that is absolutely sound and in position to contribute everything possible to the national effort. The fact that the proposals which have been made have dealt wholly with an assumed disparity in the tax treatment of the two different classes of insurance companies without emphasis upon the production of revenue indicates, in view of the apparent misunderstanding, that there is no reason for a change in the provisions and regulations relating to these mutual companies and associations."

RECIPROCALS' STAND

Charles M. Howell, Jr., counsel American Reciprocal Insurance Association, Kansas City, urged that if the changes regarding income taxation of mutuals and reciprocals recommended by Mr. Paul are enacted there be a clean cut exemption for all funds received at a reciprocal exchange in excess of losses and expenses which are returned to the subscribers either in the form of cash savings or as a credit to their reserve balances at the exchange subject to withdrawal upon termination of membership. He said that if this exemption

is considered acceptable there appears to be no substantial reason why there should not be a clear statement of exemption in the law because of the fact that all funds are distributed to their respective accounts.

Citing Mr. Paul's statement that the exemption given certain mutual companies in section 101 (11), which includes reciprocal exchanges, had resulted in a disparity in tax treatment between mutual and stock companies, Mr. Howell contended that while such a disparity might seem to exist if the amount of taxes paid by each type of insurer is considered, an examination into the organization and business methods of each type of insurer puts the present taxing laws in an equitable light.

No "Corporate Profits"

"In other words, where there are corporate profits, as in stock companies, a tax is justifiable," he said. "Where, as in a mutual, reciprocal or other cooperative, there are no profits to third parties a tax is not justifiable. Mr. Paul suggests that the exemption be confined to the smaller mutual type companies and further suggests that others be taxed on the sum of their investment income and additions to surplus which are free from claims of policyholders. With regard to reciprocal exchanges there are no funds that are free from claims of policyholders. As to investment income this, too, is the sole property of the individual subscribers or policyholders and is apportioned to their several and separate accounts, finding its way finally into the inevitable channel of reducing the cost of insurance by being returned to subscribers in the form of savings."

Howell Sets Dividing Line

Mr. Howell said that the entire question seems to hinge on whether or not funds are retained by some sort of corporate entity or either returned to the policyholder or retained for a so-called claimable reserve. If it were contended that funds placed in a reserve or guaranty account held by a reciprocal exchange were in the nature of corporate reserves, the obvious answer would be that they are also claimable reserves because returnable to the member upon retirement or liquidation, he said, and hence, the suggested basis for taxation by its very terms more or less automatically excludes reciprocal exchanges. He suggested however that in the interest of clarity it would seem prudent to make some provision for such an understanding in the law.

Mentions Investment Angle

He said it is interesting to note in this general connection that the question of taxing investment income seems to be made a separate issue and that since the investment income of a reciprocal exchange is actually the income of the separate accounts of the members who make up the reciprocal exchange it is in fact the same as premium deposits not absorbed for current operations and left to accumulate as a credit item to their respective balances.

"The crux of the entire matter is to keep foremost in mind the fundamental principle that all premium deposits or other funds as received are distributed to the separate accounts of the members and individual underwriters and as the losses and expenses are incurred, they are ratably distributed to the subscribers' respective accounts," Mr. Howell said. "In other words, there are no separate reserves in the corporate sense except such as that required by the recent New York state law. Even such a fund as this is really the property of no one but the subscribers and returnable to them in the event of liquidation."

Cites Historical Precedent

Mr. Howell went into the history of reciprocal exchanges in considerable detail and said that considering that original principle is still in effect without material change and that because of the beneficial results which have been obtained it would seem to be inconsistent with public policy to alter it and that any legislative enactment which

would interfere with or seriously impair the rights of subscribers to determine the nature and extent of these contracts between themselves would be ill advised. He said that a thorough understanding of reciprocal insurance "can lead only to the fair conclusion that a reciprocal exchange has no income."

Mr. Howell said that with regard to the surplus or guaranty funds, wherever the funds are they remain the absolute property of the subscribers in their several capacities and that the reciprocal exchange itself has nothing and is, in fact, nothing more than a name or place and that hence any taxation of these funds whether it be on investment income or underwriting income is merely a tax on the individual subscribers comprising the reciprocal exchange as they, of course, already pay income tax on

their incomes. He argued that any further income tax on them would be "the most direct form of double taxation."

The only profit or income that is realized in connection with a reciprocal exchange, Mr. Howell said, is realized by the manager or attorney-in-fact, be it corporation, firm or individual and these, of course, pay income tax on such income. Citing the cooperative basis of reciprocals, Mr. Howell said that "we have searched the laws in vain for any tax of this nature levied against any of the other cooperative enterprises over the nation and it is difficult for us to understand why an insurance cooperative should be singled out for taxation."

As to the contention that some reciprocals issue non-assessable contracts,

and thereby lose their cooperative standing, Mr. Howell said that this reasoning is fallacious, since it must be admitted that all parties have the constitutional right to contract among themselves as they may see fit so long as such contract is not against public policy.

Hail Men to Chicago April 23-24

The Western Hail & Adjustment Association will hold the last of a series of meetings with adjusters and hail field men in Chicago April 23-24 at the La Salle Hotel.

A program covering various phases of hail underwriting and adjusting has been prepared by Grover C. Edwards, superintendent of the hail department of America Fore, who is chairman in charge of the affair.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Bebber-Ortell Is Formed to Handle Adjustments

The Bebbber-Ortell Adjustment Company has been formed in Chicago with office in 4013 Milwaukee avenue to give an adjusting service in Chicago, northern Illinois and southern Wisconsin territory. It specializes in handling territory outside of Chicago and has traveling adjusters on duty in the area ready to render immediate service.

The firm members are C. A. Bebbber and O. A. Ortell. Mr. Bebbber formerly was connected with Wagner & Glidden and Toplis & Harding, independent adjusting firms. He also was supervisor in charge of training adjusters for General Exchange and was general claims manager for Emmco at the head office. Mr. Ortell, an attorney, was in the claim department of the New York Central Lines as claim agent at Chicago and Indianapolis and for the last six years has been general claims attorney for Emmco.

The firm does investigation and adjustment of claims and also handles subrogation items. Its specialty is automobile claims, the company offering a thorough knowledge of repair costs and servicing. General casualty claims also are handled. The policy has been adopted of placing staff adjusters at strategic points, charging only mileage to the loss from these locations. The territorial boundaries are Milwaukee and Madison, Wis., Dubuque and Davenport, Ia., LaSalle, Joliet and Chicago, Ill.

To Protect Agents in Service

LINCOLN, N.E.B. — Consultations held by Insurance Director Fraizer with insurance agent groups in Omaha and Lincoln have resulted in assurances that there will be no raiding of business against one-man agencies where the operator has been called into service. Most of these agencies have been turned over to relatives or friends of the operator. While the director has had no contacts with companies, he is assured by agents that contracts will be continued in effect. The department is without authority to waive payment of agents' license fees, but it is issuing licenses to absentee agents where application has been made by them or by the companies.

Pay No Dues While in Service

MINNEAPOLIS — All members of the Insurance Club of Minneapolis who enter any branch of the armed service will be made honorary members without payment of dues during their service, President Fred D. Weld announced at the April 13 meeting. Lou Keller and Dr. George Hauser, new athletic heads at the University of Minnesota, spoke.

Change in Mansfield Agency

Herbert R. Slough has resigned as president and director of the Slough, Locke, Parnell agency, Mansfield, O., and has opened a new agency to be known as Slough Insurance Service.

W. J. Locke and L. T. Powell will continue to operate the Slough, Locke, Powell agency, retaining all the companies. Mr. Locke is also mayor of Mansfield.

New Agency in Lincoln

A. J. Weaver and A. L. Minier have incorporated the Weaver-Minier General Agency, with offices in Lincoln, Neb. Mr. Weaver has been in the insurance business for 11 years in Lincoln, and is

a director of Union National Life. He is serving his third year as a city councilman. He will be president and treasurer and Mr. Minier vice-president and secretary. Mr. Minier was manager of the insurance department of the Boatman's National Bank & Trust Company of St. Louis, and for several years with the Continental Illinois Bank & Trust Company of Chicago.

Four Regionals in Minnesota

MINNEAPOLIS — Four more regional educational meetings are scheduled in Minnesota this month. The Southern Minnesota regional will meet at Owatonna April 21 with K. L. Hingst, state agent of American, as speaker. The same day Leonard Zell, Hanover, will talk to the West Central regional at Montevideo.

On April 27 John McHale, New York Underwriters, and S. W. de Waard, National Liberty, will lecture to the Twin Cities Suburban regional in Minneapolis, and on that date also Frank Sather, St. Paul Fire & Marine, will talk to the Minneapolis Underwriters Association.

Arkansas City Rally May 7

R. D. Anderson, Arkansas City, Kan., agent, president of the Cowley-Sumner county zone of the Kansas Educational Committee, has announced the next meeting for May 7 at Arkansas City.

Fire Boat for Duluth

DULUTH, MINN. — For the first time in many years this important lake port has a fire boat for harbor fire prevention and fire fighting. One of the speediest boats on the Great Lakes has been purchased by the state fire marshal's department and soon will be in operation on a 24-hour basis.

Agents, Field Men at Little Falls

R. E. Vernor, Western Actuarial Bureau, Chicago, was the speaker at a meeting following an inspection of Little Falls, Minn. A meeting of the Central Minnesota Agents Regional Association scheduled to be held the same day at St. Cloud was postponed so that members could participate in the Little Falls inspection.

O'Connell Is Toledo Speaker

TOLEDO, O. — Shawley B. O'Connell, marine special agent of Home, spoke on "Marine Insurance Today" at the April 14 luncheon meeting of the Toledo Association of Insurance Agents, discussing sabotage and national defense as they relate to marine insurance.

Helps Those Called to Service

The Insurance Agents Association of Kansas City has appointed a committee to develop a program for helping agents, solicitors and brokers of the association who enter the armed services. This committee is composed of Ralph B. Innis, chairman; Hoyt Nelson and Fred V. Griffith. They will arrange for the business to be handled and check to see that it is being done so that the business will not be dissipated.

St. Paul Contributes to Institute

ST. PAUL — When he left for New York to attend the mid-year meeting of the National Association of Insurance Agents, President L. D. Engberg of the Minnesota association carried with him a check covering a 50 cents per capita contribution of the Insurance Exchange

of St. Paul to the newly organized American Institute. The exchange has turned over to the chief air raid warden of St. Paul three films relating to defense activities, "Fighting the Fire Bomb," "The Warning" and "Air Raid Warden."

Buys Twentieth Agency

L. W. Garlich of St. Joseph, Mo., member executive committee, National Association of Insurance Agents, on April 1 purchased the 20th agency located in his city and merged it with his own, it being operated by George Flamank. On Dec. 1, 1940, he purchased the 19th agency, that of Andrews-Kelley.

Few Indiana Licenses Issued

George W. Wolf, investigator of the Indiana department, told the Fort Wayne Association of Insurance Agents that only 18 licenses were issued by the department in the past six months to engage in the general insurance business, although it had received 1,500 applications during that time. He discussed the requirements for license and the examination schedule. Willard M. Thomas presided.

Bond Talk to Lucas County Board

Charles S. Maxson, Toledo district manager of American Surety, discussed "Surety Bonds" at a dinner meeting of the Lucas County Insurance Board in Toledo. The board will hold its annual banquet June 9.

NEWS BRIEFS

The St. Paul Association of Insurance Women will stage a card party May 1 to raise funds for financing the national convention of insurance women there in June. At the April 14 dinner meeting George Wilkens of the Federal Reserve Bank in Minneapolis talked on its operations.

James M. Casey of the Mitchner agency, secretary of the Hutchinson (Kan.) Insurance Board, has been advanced to captain of the Kansas state guard unit there.

Bertha Sleder, acting president of the Salina (Kan.) Insurance Women and for some years with the Seitz Agency, has left that agency. Earlier in the year President Marcelle Hinnencamp resigned to enter another business. C. E. Stiehl, state agent of London & Lancashire, spoke at the April meeting on use and occupancy.

Willard Quinn, head of the Kansas Underwriters, Wichita general agency, who has been confined to his home by illness, was able to spend part time at his office this week.

John Engstrom, Jr., of Harris, Burns & Co. and Virgil Feemster of the Swope-Brady Agency, are heading Wichita clean-up week activities this week.

Miss Lucille McDermott, Ocean Accident, president of the Insurance Women of Milwaukee, and Miss Florence Fox, Massachusetts Bonding, were named delegates to the convention of the National Association of Insurance Women in St. Paul, June 23-24. They will seek the 1943 meeting for Milwaukee.

Clarence Keller, local agent at Beaver Dam, Wis., and former president of the Dodge County Insurance Agents Association, has been reelected for a third term as mayor there.

Wm. C. Bradt, local agent, and Carter Baker of Leedom, O'Connor & Noyes have been elected president and vice-president respectively of the Milwaukee Round Table, business and professional men's club.

Herbert F. Green, State Automobile, addressed the Mutual Insurance Club of

Columbus Monday on "Automobile Insurance."

Hazel Old has been elected president of the Insurance Women's Club of Detroit. At the meeting Tuesday, Herbert L. Thompson of the law firm of Thompson, Allen & Harmon gave a talk, "Does John Public Make the Laws?"

Walter J. Kountz, of Toledo, local agent, has been reelected president of the city commission of publicity and efficiency there.

Miss Merle Webster of the John A. Moore & Co. is the new president of the Association of Insurance Women of Kansas City. She succeeds Miss Louise Price, executive secretary of the Insurance Agents Association of Kansas City. Miss Lulu Stanfield is vice-president; Mrs. Nell Coombs, R. B. Jones & Sons, secretary; Miss Winnie McGovern, Western Adjustment, treasurer.

Charles G. Haake, head of Chas. G. Haake & Sons, Inc., Kansas City agency, has been elected president of the Kansas City Trust Co., an old company now first entering general banking business. His three sons, who have been associated with him, will carry on the agency.

Mr. and Mrs. W. T. Newkirk of Independence, Kan., announce the birth of daughter, Willa Jane. Mr. Newkirk has served two years on the executive committee of the Kansas Association of Insurance Agents.

The Winkler agency, Manhattan, Kan., has been purchased by the Gross agency and will be consolidated with it and managed by Paul Gross.

Bruce M. Bentley, local agent at Coffeyville, Kan., is in charge of selective service for his city. He is a member of the executive committee of the Kansas Association of Insurance Agents.

Fern Bunker led a panel discussion on automobile insurance at the April meeting of the Insurance Women of Lincoln, Neb.

Charles A. Bull has been appointed manager of the W. A. Downey agency of Lincoln, Neb., whose head died recently. Miss Anna H. Gordon remains as office manager.

C. L. Mehagan, Minneapolis manager of Western Adjustment, will speak at the April 20 dinner meeting of the Minneapolis Insurance Women's Association.

EAST

How to Overcome Loss of Auto Premiums Is Big Subject at Vermont Rally

Discussion at the spring meeting of the Vermont Association of Insurance Agents at Burlington, May 19, will center on the means for developing business to take the place of premiums that are likely to be lost in the automobile field. There will be a speaker on personal accident and health insurance, one on fire sidelines and one on inland marine.

The Vermont association in the past has allowed \$15 to each of its members who attended the convention of the New England Associations of Insurance Agents. Due to the fact that the New England meeting has been called off for this year, the Vermont association extended the same offer to those registering at the National association meeting in New York this week.

The Vermont association is seeking to promote the idea of including extended coverage in all minimum rated dwelling policies at only a slight advance in the

regular fire rates. The support of other New England states is being enlisted. The Vermont agents are being urged by the association to advocate such a step when speaking with company representatives.

Fisher Agency of Hartford Marks 70th Year

The George B. Fisher Company agency of Hartford on Friday is celebrating its 70th anniversary of continuous operation. The agency was founded by Maj. George B. Fisher, the grandfather of G. Burgess Fisher, III, who has been president since the death of his father in January, 1941.

The first company represented was Phoenix of Hartford and the agency has in its possession an original policy issued for Phoenix which carries expiration date of 1873.

In 1884, the agency took over the Hartford agency of Scottish Union which it continues to operate as resident managers. G. Burgess Fisher, son of the founder, entered the business in 1900 and shortly thereafter arranged for incorporation of the agency. Upon the founder's death in 1908, his son became president, serving until his death in 1940.

Mr. Fisher estimates that the agency has paid out fire losses over its own signature of about \$10,000,000.

Wilfred Kurth, now chairman of Home, started in the insurance business with the agency at a salary of \$150 a year.

In 1904 the agency took over representation of United States Fire and it continued to represent that company as resident managers.

Tom W. Brown is vice-president and treasurer of the agency. He entered the business in 1906 and has thus been actively associated with three generations of the Fisher family. William H. Hunting is secretary.

Eglof to Speak in Pittsburgh

PITTSBURGH—The Pittsburgh Association of Insurance Agents will hold a luncheon April 30, open to agents, company representatives and interested assured. John H. Eglof, supervisor of agency field service Travelers, will speak.

Revive Old Pennsylvania Issue

HARRISBURG, PA.—Some local agents throughout the state are again agitating for a standard commission rate, and propose a bill to that end be drafted for introduction in the legislature. If this is done it certainly will encounter stiff opposition from local men in the Philadelphia, Philadelphia suburban and Allegheny county areas as such a move would mean a reduction in present commissions in their respective territories, which they maintain are justified be-

cause of the heavier expense to which they are subjected in conducting business in the larger centers.

Grant Closes N. Y. Office

The Harry A. Grant general agency of Philadelphia has closed its New York City office at 1775 Broadway, and will confine its activities to the Philadelphia headquarters at 418 Walnut street. The company was formed in 1940 as general agent of Piedmont Fire for eastern Pennsylvania, Delaware, Maryland and District of Columbia, and Springfield Fire & Marine for the same territory except District of Columbia.

Syracuse to Be Headquarters

The six mutual fire companies of New York that have organized the Mutual Federation of New York will have headquarters at 205 Harrison street, Syracuse, N. Y., rather than in Utica, as was stated last week. The companies will provide a joint field service, issue combined policies on larger lines and enter upon an advertising

and publicity program. The combined policy will be known as the New York Federated Underwriters. The individual companies and the syndicate will continue to operate strictly on the agency basis.

Fireworks Ban in Maine

AUGUSTA—Governor Sewell of Maine has issued an executive order banning the use of fireworks in Maine except at fairs and certain other public celebrations.

NEWS BRIEFS

Ernest J. Gracey, who started in the home office of Aetna Fire in 1919, three years later went into the field for that group in New England, and in 1938 went with Atlantic Mutual, has become a member of the firm of William Wallace & Co., Boston general agents.

Frederic C. Church, Jr., of Boit, Dalton & Church, Boston, has been named Massachusetts chairman of the Navy Relief Society fund raising campaign.

IN THE SOUTHERN STATES

More Optimistic View Is Now Held by Texans

DALLAS—The fire and casualty people of Texas are more optimistic over the possibilities of reaching an equitable and amicable settlement of the commission problem since the representatives of the eastern companies met with the Board of Insurance Commissions in Austin, after a series of meetings in Dallas with local and general agents and with representatives of the Texas fire companies. Considerable pessimism prevailed following the Dallas meetings but rumors that the three executives from the east agreed with the insurance commissioners that something should be done and that something could be done to stabilize commissions without drastic cuts in fire rates have somewhat cleared the atmosphere. No one will speak officially but nearly everyone feels that definite progress was made by Alexander R. Phillips of Great American, George C. Long, Jr., of Phoenix of Connecticut and Otho E. Lane of Fire Association, who made the trip to Texas to study the commission and other perplexing problems and report back.

The company executives found that many other problems were closely linked with the so-called excess commission problem in Texas; among them being the multiplicity of plants, the

somewhat indiscriminate appointment of agents and the appointment of local agents as general agents when such local agents do not perform all the regular functions of general agents but do receive general agency commission.

For some time the larger local exchanges of Texas have discussed the possibility and desirability of limiting the number of plants for each company with some local agents wanting only one plant per company in each city and others feeling that a limitation of three or four plants would be a great forward step. It is realized that any such changes must be made gradually in order not to hurt either the companies or local agents.

Announce Kentucky Agents' Program

LOUISVILLE—The 1942 meeting of the Kentucky Association of Insurance Agents will be held at the Kentucky Hotel, Louisville, May 21-22. The executive committee and officers will meet the evening of May 20.

The general theme of the meeting will be the wartime role of insurance and the local agent, with emphasis on their part in aiding the war program. Fred H. Lieber, Louisville, heads the convention committee, which includes S. C. Barnes, Elizabethtown, and George E. Burks, Louisville.

Dwight R. Peel, former association president, now supervisor of fire preven-

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tion and rates of the Kentucky department and deputy director of civilian defense, will discuss the defense organization in Kentucky, in which many local agents and company field men are participating. R. E. Vernor, Western Actuarial Bureau, Chicago, will also talk along similar lines.

Insurance Director Goodpaster of Kentucky will be on the program.

Dyer on Accident and Health

George L. Dyer, Jr., St. Louis general agent of Columbian National Life and first vice-president of the National Association of Accident & Health Underwriters, will talk on accident and health insurance.

E. B. Moran, central division manager National Association of Credit Men, Chicago, will discuss "Business Needs Insurance." Oscar Beling, superintendent agency systems department Royal-Liverpool groups, New York City, will discuss "Agency Profit Planning," from the standpoint of how agency records may be used as production tools or guides to yield more business and profit. He will also be available throughout the convention to answer questions or give personal consultation on agency management.

At the rural agents forum, Bert R. Walinder, manager farm and hail department America Fore, Chicago, in addition to discussing farm underwriting, will talk on wartime underwriting trends and developments, featuring efficiency and service to protect the agent's business.

There will also be a representative of the National Association of Insurance Agents, yet to be named.

The "Fighting the Fire Bomb" film will be shown Thursday evening following the get together dinner. Aetna Casualty's sound picture made at the meeting of the National association in Kansas City, also will be shown. Through cooperation of Covington members a film in color on fire prevention work, produced by agents in conjunction with the Covington fire department, will be presented.

County Can Pay for Protection

DALLAS — Attorney-general Mann of Texas has ruled that Texas cities can provide fire-fighting facilities in counties for stipulated sums and that cities can make contracts with county commissioner courts to provide such services in specific areas within the county to the exclusion of other sections.

He also ruled that counties can purchase fire-fighting equipment which can be used within the limits of any city but that equipment must be paid for out of general revenue funds and not by bonds.

Neither of the opinions conflict with any of the plans now under discussion by the city and the county of Dallas to settle the long controversy about the payment by the county for the fire protection being given by the city. The exclusive residential districts outside the city limits are being protected by the

Dallas fire department, although the method of payment for such service has not been definitely settled.

Irwin & Co. Remodels Building

NEW ORLEANS—The Leon Irwin & Co. agency here, which has occupied the building at 736 Union street for more than 30 years, recently purchased the adjoining building, and has completely remodeled both structures. They have been thrown together as one building, and the result is a modern, impressive looking office structure, air-conditioned and equipped with elevator service.

Launch New General Agency

NEW ORLEANS—Insurance General Agencies, Inc., with E. B. Seghers as president, has been organized with offices at 404 Alva building, New Orleans. The new general agency will represent Standard Surety & Casualty and Raleigh Underwriters of Aetna Fire group for Louisiana, handling fire, casualty, surety and allied lines. Mr. Seghers has been with Black, Rogers & Co. of New Orleans, for 22 years, recently as manager of the bonding department. Previously he was with Langham & Malone of Houston and the southern department of L. & L. & G.

S. E. U. A. Executive Group Meets

ATLANTA — Executives from the east attending the meeting of the executive committee of the Southeastern Underwriters Association here were H. P. Whitman, vice-president Phoenix of Hartford; M. H. Grannatt, assistant U. S. manager of Royal-Liverpool; B. C. Vitt, vice-president of American. Mr. Whitman went from Atlanta to Little Rock to attend a meeting of the Arkansas committee.

May Distribute Corps Equipment

George H. Parker, manager Kentucky Actuarial Bureau, has indicated that it is planned to distribute some of the equipment, chiefly tarpaulins, formerly used by the Louisville Salvage Corps, to some of the towns out in the state, which could use them in protecting merchandise and property.

Ask Rulings on Municipal Tax

FRANKFORT — The attorney-general of Kentucky has been asked for rulings in connection with an act of the 1942 legislature, effective June 1, under which municipal taxes on fire insurance premiums will be on a percentage basis, with a minimum of \$5, instead of a flat rate. Heretofore such taxes ranged as high as \$50 in some localities, which made it difficult for a company with a small volume of business to pay the fee. The cities generally will have to enact new ordinances.

Many Showings of Bomb Film

The "Fighting the Fire Bomb" film has been shown in Dallas 35 times in

two weeks and is scheduled for at least two showings each day for several weeks in advance. The city of Dallas purchased the film and W. R. Ford of the educational bureau of the Dallas fire department is handling it.

Reject Louisville Bridge Bids

LOUISVILLE—Turning down all 13 bids as "too high," the Louisville Bridge Commission says it is "undecided" what to do about \$2,365,000 of all-risk coverage insurance on the municipal bridge expiring April 30. A commission spokesman said it had asked bids without co-insurance clause, but all contained that clause.

General Agency to Opelousas

NEW ORLEANS—John P. Desmarais & Co., general agents, are removing their headquarters from New Orleans to Opelousas, La., May 1. The move to a more central location, Mr. Desmarais

says, is to conserve automobile tires, gas, etc. Mr. Desmarais will continue his office in New Orleans, and divide his time between the two offices, but all agency matters will be handled from Opelousas.

NEWS BRIEFS

The Atlanta Association of Insurance Women elected the following new officers at its annual bosses' night dinner: President, Lillian Perry, Draper-Owens agency; vice-president, Margaret Orr, King-Knight & Co.; treasurer, Orene Cooper, MacIntyre & Co.; corresponding secretary, Eva Miller, Manry & Heston agency; and recording secretary, Virginia Williams, North British & Mercantile. H. D. Morgan, president Atlanta Association of Insurance Agents, installed the officers. Lon Sullivan, executive secretary Atlanta Association of Insurance Agents, was elected counsellor. H. J. Haas, national coun-

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cillor Georgia Association of Insurance Agents; M. H. Grannatt, assistant U. S. manager Royal-Liverpool groups, and J. C. Dunlap, Dunlap & Co., vice-president Atlanta Association of Insurance Agents, spoke.

Fred S. Jernigan of the Dallas agency of Andrews, McDowell & Co. has been reelected secretary of the Rotary Club of Dallas for his fifth term.

W. Dudley Gale of Gale, Smith & Co. has been appointed chairman of the "all-out" war bond drive in Nashville and Davidson county beginning May 9.

Retta Maloy, St. Paul Fire & Marine, has been elected delegate of the **Insurance Women's Club** of Oklahoma City

to the national convention in St. Paul. The next meeting, April 22, will celebrate the club's 14th anniversary.

Miss Kathryn Donham, daughter of **J. Roy Donham**, Little Rock, former president of the Arkansas Association of Insurance Agents, will be married to **J. H. Rice**, also of Little Rock, now at the finance officers training school, Fort Benjamin Harrison, Indianapolis.

Miss Josephine Woods, who has been with the Warner Wells agency in Greenwood, Miss., for a number of years, was married to **W. J. Milligan, Jr.**, of Milan, Tenn., who is employed by the Procter & Gamble Defense Corporation.

G. S. Smith in Washington and northern Idaho, and **M. S. Williams** in Montana.

Blackout Hampers Glendale Group

A blackout broke into the program arranged by Glendale (Cal.) Insurance Exchange, with speakers from the Southern California Fire Underwriters Association. The dinner went off on time, as did the first address by Manager Paul Wilson of the Connecticut-Phoenix group on "Earnings on Property (U. & O., Rental Values)."

But before the conclusion of the panel discussion on "When Our Business Is Questioned," led by Special Agent Clyde Blanchard of Phoenix and John A. Gilliland, engineer of Hartford Fire, with Herman Barnes and John Knight, local agents, participating, the blackout came on and that ended the program.

Conclude Western Wash. Series

The 13-meeting schedule in western Washington conducted as a preliminary to the "war against waste campaign" was concluded this week with meetings at Ellensburg and Yakima. **E. R. Bowden**, chairman of the governing committee of the Washington Association of Insurance Agents; **J. M. Kellum**, California-Commercial Union group; **C. E. Landis**, National Board, and **E. L. Smith**, assistant state fire marshal, spoke. Two sound movies on fighting fire bombs were shown.

Hear Bomb Talk in Seattle

SEATTLE—More than 70 attended the monthly luncheon meeting of the King County Insurance Association to hear **Charles E. Landis**, special investigator of the National Board, explain approved methods for extinguishing incendiary bombs. He used a "dummy" bomb to illustrate his talk.

E. L. Smith, assistant state fire marshal, announced a clean-up campaign will be staged throughout the state from May 1-9.

Two sound movies, "Fighting the Fire Bomb" and "The Bombing of London," were shown.

Worth Speaks in Spokane

SPOKANE, WASH.—Additional living expenses coverage was explained at the April 6 meeting of the Spokane Insurance Association by **E. M. Worth**, special agent of Hartford Fire.

C. P. Carroll, national councillor of the Washington agents' association, reported on the recent far-west agents conference in Oakland. **R. J. Martin** urged agents to sell the road-side endorsement to automobile owners, stressing that this protection is superior to that offered by automobile clubs.

Hold Employers Night May 5

The Seattle Blanket Club will hold its employers' night, May 5. **Al Dempsey**, Massachusetts Bonding, is chairman. Organization representatives and Commissioner Sullivan will be guests. Speaker will be **Ralph Welch**, new football coach at the University of Washington. **J. M. Donahue**, adjuter with **A. E. Campbell**, will be toastmaster.

Plan California Meetings

SAN FRANCISCO—Directors of the California Association of Insurance Agents are now completing plans for meetings with local groups in their territory at which they will report proceedings of the recent meeting of the board. These reports are a part of the "visitation program," inaugurated for the purpose of keeping all members throughout the state informed as to association activities. The local meetings will be held the rest of April and early in May.

Hold East Bay Outing May 21

The East Bay Insurance Exchange, composed of local agents in the Alameda

county area across the bay from San Francisco, will hold its annual outing and golf tournament May 21. The event is always well attended by San Francisco managers, general agents and field men.

R. I. Mutuals Quit California

Rhode Island Mutual Fire, Enterprise Mutual Fire, Mechanics Mutual Fire, State Mutual Fire and American Mutual Fire, all of Rhode Island, have filed petitions for permission to withdraw from California.

NEWS BRIEFS

D. K. MacDonald of Carter, MacDonald & Co., Seattle, is on an extended business visit in the east. As president of the Seattle chamber of commerce he will discuss war industry problems with officials in Washington.

L. M. Cooley, who resigned recently from the Seattle staff of Continental Casualty, has launched a new agency at Tacoma to handle all lines of insurance.

The **Insurance Women's Association** of Portland, Ore., sponsored the annual ensemble dinner and heard a rousing address on "Women in War Time World" by **Rt. Hon. Margaret Bondfield**, only woman member of the British parliament.

CANADIAN

Honor Blue Goose Veterans

The Quebec Blue Goose is holding its annual initiation in Montreal on April 24. A feature will be the presentation of 25-year emblems to **J. W. Binnie**, Union of Canton; **W. G. Ward**, Robert Hampson & Son; **Andrew Hamilton**, Ottawa; **T. V. Depatie**, National Agencies, and **R. A. Musy**, Royal-Liverpool.

Study Groups in Winnipeg

WINNIPEG—The Insurance Institute of Winnipeg has inaugurated a series of study groups commencing April 13. The first meeting dealt with the general principles course.

Manitoba Hail Men Confer

WINNIPEG—A conference of Manitoba hail underwriters was held in Winnipeg, at which plans for the coming season were laid. The meeting was one of the most successful in recent years, and complete accord was reached on all major problems.

Field Men Confer in Winnipeg

WINNIPEG—A conference of tariff companies' field men in Manitoba and Saskatchewan was held in Winnipeg. **E. P. Withrow**, president Western Canada Insurance Underwriters Association, presided and various problems concerning the field forces were dealt with.

Kingston, Ont., Agents Elect

E. J. Stacey has been elected president of the Kingston (Ont.) Fire & Casualty Insurance Underwriters Association. He succeeds **B. G. Robertson**. Other officers are: Vice-president, **C. S. Kirkpatrick**; secretary, **E. L. Martin**.

A. S. Knight to Montreal

VANCOUVER, B. C.—**A. S. Knight**, with the branch office of Royal here for 2½ years, recently as assistant to Manager **E. H. LeConteur**, is leaving to assume new duties at the Royal-Liverpool Canadian head office in Montreal.

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PACIFIC COAST AND MOUNTAIN

Washington Agents Confer This Week

SEATTLE—Officers, committeemen, and local board presidents of the Washington Association of Insurance Agents will meet here April 17 to select the 1942 convention city. Spokane has entered a bid and the gathering will probably be held late in August. The date will be set after consultation with officials of the Oregon association, it being the custom to hold the two northwest meetings on successive dates to enable visiting speakers to attend both meetings.

A summary of the association's activities for the first half of the fiscal year will be given at the conference this week by President **Frank N. Bellinger**, **Charles P. Carroll**, chairman of executive committee and national councillor, will preside.

Breckon to Outline Plan

John T. Breckon of San Francisco, assistant director Business Development Office, will outline a continuous sales promotion program for local boards, the activity to be sponsored jointly by the state association and the field men's fire and casualty organizations. A similar program is already in progress in California.

Wm. H. Harmer, secretary-treasurer, will submit a report. Committee activities will be outlined by the following chairmen: **E. R. Bowden**, governing and legislative; **O. L. Madison**, fire prevention; **N. S. Walker**, membership; **H. T. Anthony**, contact; **C. M. Ballard**, traffic safety; and **P. J. Perry**, C. P. U. fund committee.

Board U.&O. Forms Adopted, New Civil Authorities Clause in Wash. and Ore.

PORTLAND, ORE.—The Oregon Insurance Rating Bureau and the Washington Surveying & Rating Bureau have announced the adoption of the new use and occupancy forms recently approved by the Pacific Board.

The civil authorities clause in use on all fire risks for several years in Oregon and Washington has been withdrawn and a new, more restrictive clause substituted which specifies that loss due to destruction by civil authority to retard spread of a conflagration caused directly or indirectly by bombardment, invasion, civil war, insurrection, rebellion, revolution, military or usurped power or by operations of armed forces while engaged in hostilities (with or without declaration of war), or by riot or civil commotion unless specifically covered, will not be covered. The new clause is now mandatory in Washington and in Oregon on and after May 1.

The Oregon bureau has also announced a revision to be made in rates on certain automobile camps, hotels, tourist cabins and similar properties. Agents are cautioned to avoid promising

reductions in rate thereby, although in most cases decreases are expected to result. The bureau also has amended rules on builders' and contractors' risk-reporting form to allow reductions in insurance or cancellations on a pro rata basis.

Marsh & McLennan Make Promotions in Seattle

SEATTLE—**Philip Bronson** and **Maurice Jackson** have been named vice-presidents of the Washington corporation of Marsh & McLennan, of which **George W. Farnsworth** is vice-president and general manager.

Mr. Bronson, before joining Marsh & McLennan several years ago, for many years operated the brokerage firm of Bronson-Matthews, Inc. He has had 18 years insurance experience.

Mr. Jackson was manager of the National Insurance Brokers of Seattle, which merged with Marsh & McLennan in 1938. He has been manager of Marsh & McLennan's metropolitan department since that time.

John R. Barnes, for the past 12 years with the Hawaiian Trust Company in Honolulu, has been appointed manager of the life department.

Record Turnouts at Casualty Parleys in Washington

SEATTLE—Winding up a series of casualty educational meetings with sessions at Wenatchee and Spokane, the Casualty Insurance Association of Washington and the Washington Association of Insurance Agents, co-sponsors, report record turnouts. Sixteen evening meetings were held in key cities. At each session, a four-man panel presented a sales demonstration on the comprehensive liability policy.

E. H. Alexander, Hartford Accident, headed the committee of speakers, which included **J. F. McCaffrey**, Royal; **J. R. MacKay**, Fireman's Fund; **Glen Liston**, American Surety; **A. O. Stuber**, Massachusetts Bonding; **W. P. Sizemore**, Travelers; **R. P. Cunningham**, Aetna Casualty; **Sterling Stapp**, Travelers and **L. K. Anderson**, Great American Indemnity.

North America Opens New Office in Seattle; P. E. Jacoby Is Manager

North America has established a northwest service office in the Colman building, Seattle, under the management of **P. E. Jacoby**, supervising Washington, Oregon, Montana and northern Idaho.

Mr. Jacoby was born in Philadelphia in 1909. He attended Wesleyan University before joining North America at its home office in 1930. He has had a broad experience, having been in the Buffalo, Baltimore, Pittsburgh and Denver offices. He will be ably assisted by **C. F. Carlisle** in Oregon, **T. A. Hill** and

MARINE

High Values Per Truck Are Causing Concern

One of the problems of the marine underwriter these days is the high limits of insurance per truck that are needed by those that are hauling war materials for factories doing government work. It is not uncommon to get requests for insurance of \$100,000 or \$200,000 on a single truck. This is usually on a per trip basis, but there are some assured who have sought to get these high limits on an annual basis.

Most of the underwriters try to avoid taking such commitments, extending themselves only for favored agents or the most valued assured. That requires a good deal of shopping on the part of the agent who has such a line. The trucker is always anxious to get the insurance. If he fails to get coverage he cannot accept the war hauling business and if he is not engaged in the war effort it appears that he would stand very little chance of getting tires and other equipment when needed.

The fire hazard is the principal thing to be feared. The other day in Michigan, for instance, it was reported that a truck carrying a load of magnesium was destroyed. An automobile spring, lying in the road, was hit by the truck in such a way that it pierced the gasoline tank.

Marine underwriters express some impatience at a loading policy which would permit a single exposure of \$100,000 or \$200,000 in this way. They wonder why shipments of the most valuable articles could not be divided among more trucks and the rest of the truck used for less precious purposes. At any rate they feel that the very best trucks and drivers should be employed in connection with these high value loads, the trucks being equipped with American safety tanks or perhaps being Diesel powered.

P. B. Moran Associate Manager of Automobile

P. B. Moran has been appointed associate manager of the western marine department of Automobile, of which Mark Campbell is manager. The appointment was made on the day that Mr. Moran completed 25 years in the service of Automobile. His entire experience has been in marine work with the Aetna Life group in Chicago. He started as a boy after leaving high school in the local marine department in the Chicago branch of Aetna Casualty and then when the zone plan for marine operation was started in 1920 he was moved into the western department in Chicago. He had been assistant manager for the past 10 years. He entered the business during the first war and recalls that almost the entire activity then was in connection with ocean marine and war risk.

Marine Underwriters Reelected

NEW YORK—All officers of the Association of Marine Underwriters were

reelected at the annual meeting. They are: President, H. H. Reed, North America; vice-president, J. T. Byrne, Talbot, Bird & Co.; secretary-treasurer, F. B. McBride, Fireman's Fund. E. G. Driver continues as executive secretary. Officers and standing committees presented reports.

Hurd Succeeds Millikin

G. D. Millikin, for past five years supervising head of the marine department of Fred S. James & Co. at Chicago, has resigned to devote his entire time to production. F. M. Hurd has been placed in full charge of the marine department. Mr. Millikin remains associated with James & Co. as a full-time office producer.

Rules Against Floor Plan Cover

Property in possession of dealers under a so-called floor plan cannot be insured under a marine form of policy, the committee on interpretation and complaint has ruled. Such transactions, the committee finds, constitute a loan of money and are not installment sales.

Great Lakes Shipping on Move

As the commercial sailing season officially opened on the Great Lakes April 15, ice conditions, while not completely satisfactory, were permitting freighters to move fairly freely. There was some ice at the east end of Lake Superior and around Buffalo, but the Superior ice was not interfering materially with movement of boats through the Soo.

The season got under way earlier than usual this year, and boats have been moving between the lakes for a couple of weeks or so. Boats have been plying on single lakes such as Michigan for longer than that.

MOTOR

Cumulative Collision Cover Again O. K. in Ill.

Sale of so-called cumulative automobile collision forms has been formally approved by the Illinois department in a ruling modifying its action last December in outlawing any form of convertible collision insurance.

The customary form of convertible collision is still proscribed in Illinois. The cumulative form which is approved

has been written by just a few companies and those that have made filings since approval have included Zurich Fire, American Automobile, Lumbermen's Mutual Casualty, American Motorists, General Casualty of Wisconsin and Union of Indiana.

Under the cumulative collision form in Illinois the initial premium must be 50 percent of the cost of full coverage collision and the insured must then pay all collision losses until he has disbursed a sum equal to the initial premium when after he has full coverage insurance.

Under the usual convertible form, the assured pays 50 percent of the full coverage premium and then at any time he may convert it to full coverage by paying the balance. It is understood that the Illinois department regards this as discriminatory on the theory that one assured might have a substantial loss early in the policy year, pay the conversion premium and then have full coverage for say 11 months, whereas another assured might have a loss towards the end of the year and after paying the conversion premium have full cover only for a few days.

Tire Thefts Discussed

SAN ANTONIO, TEX.—The tire theft situation was discussed before the San Antonio Claims Men's Association by Charles Holden, San Antonio police department. He stressed the importance of recording serial numbers of tires, radios, and other accessories as an aid in recovering stolen property. He urged legislation making tire theft a felony both to discourage the petty theft addict and to aid officers in apprehending thieves.

Mr. Holden said that tire stealing gangs are exchanging their loot with gangs in other cities to avoid detection.

The association adopted a resolution calling for the passage of an ordinance in San Antonio requiring dealers in second-hand tires and automobile accessories to keep records similar to those required of pawnbrokers.

Can't Replace Stolen Tires

TORONTO — No persons except those in the selected classes can secure new tires to replace those stolen, the Dominion government has held in answer to an inquiry by the All-Canada Insurance Federation.

W. Va. Outfit Is Halted

Automobile Owners Protective Association of Charleston, W. Va., has been ordered by Commissioner Sims to cease sale of membership contracts "or any



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other similar form of insurance" until it has complied with the laws. Mr. Sims finds that the concern has been selling a form of insurance indemnity contract but is not licensed.

State Officials and Councillors Meet

(CONTINUED FROM PAGE 4)

tary Indiana association, and S. G. Otstot, executive secretary North Carolina association. Mr. McClain in his talk declared that insurance must keep in step with and meet the demands of the increasing times. The agency system should be synchronized with the vital calls of this day. The country, he said, is facing new problems and insurance must recognize this, for there is a call for vigorous and right thinking. Victory, he said, can only be achieved by united action.

State Association Membership

The problem of state association membership, he asserted, is not changed by the war. He is convinced that the



S. G. OTSTOT

members themselves do not appreciate the necessity of united effort. The members, he added, do not realize the benefits of their organizations. He said there is too much turnover in agency membership which indicates that the people themselves are not persuaded of the necessity of the organizations. This situation, he said, presents a vital problem.

Mr. McClain acknowledged that the associations have failed to do a real job. He suggested that programs must be developed that will appeal to and hold members. Too few, he said, are really on the job. More members need to be brought into the working force. In Indiana, he said, it was decided to put every member on some state and regional committee. More members are assigned to convention committee work. Further, he said, the Indiana association sends out five personal informative letters a year to members in addition to

the house organ and special bulletins. He referred to the increasing expense confronting all hands and he said that state associations must be geared to meet the tendency to lop off membership as a matter of economy.

Otstot's Suggestions

Mr. Otstot emphasized the need of a strict operating budget for state bodies. They all must be on a self-sustaining basis, he said. The budget should be adhered to strictly. State associations, he said, should continue on a sound business basis. They are faced with increased operating costs and yet satisfactory service is the most vital element in association work and it must be continued on a high level. Mr. Otstot said that it will be necessary to reduce the operating cost of state organizations. He said that small leaks should be watched. Local boards should be employed to do considerable work that the state association now dispatches.

Mr. Otstot said automobile restrictions have injected into transportation a serious problem and that will affect attendance at conventions. He stated that the rural agents are the backbone of the agency movement. They can be reached largely through regional meetings and he acknowledged that more is accomplished at these conferences than by state conventions. He said that state officers should not discontinue the short course schools without taking a vote of the membership. In North Carolina the vote was 7 to 1 in favor of continuing the schools, although if it had been left to the officers and executive committee, they would have omitted it. The attendance, he said, was considerably more than anticipated.

Mr. Otstot said that a number of salesmen and others in different callings are put out of employment due to governmental prohibitions and restrictions. Many of these he said will endeavor to find a lodging place in soliciting insurance. He said that a state is fortunate if it has a good resident agency and qualification law.

Roy A. Duffus, Rochester, N. Y., outlined the program that has been developed by the national educational committee and said that membership could be built by it. The educational work has been developed so that there are standardized working plans on fire, casualty and surety. The prospectus tells how to sponsor study groups. Every state program, he said, should devote a portion of the time to an explanation of the study system.

Agency Qualification Laws

There was considerable discussion regarding qualification laws, Stuart Ragland, Richmond, Va., saying that the main opposition to the bill passed in his state came from the companies. He inquired as to the reason for company opposition. D. G. Foreman, Texas association manager, deplored the use of

"qualification laws." To the legislator they mean a scheme to build a high fence around insurance and to keep many people out of it. He said that such bills should be known as educational measures for the benefit of the premium payers. That is, they are intended to increase the knowledge of insurance agents. An educational manual, he said, should be provided with questions and answers of a more or less elemental nature so that examinations could be built on this work. In two years he said much had been accomplished in Texas. For instance, a year ago there were 4,000 agency licenses and 6,000 solicitors licensed. This year there are 2,000 agents and 4,000 solicitors.

In drafting agency qualification bills life insurance agents are omitted, largely because of the strong opposition of life insurance interests. It was stated that it would be wise to leave out life agents or let life underwriters associations promote their own license measures.

Would Accept Some War Liability

(CONTINUED FROM PAGE 6)

ance companies. If the certificates are those of WDC, then the private insurers would be in the position of reinsuring WDC, whereas if the private insurers issued their own contracts, then WDC would be the reinsurer. It would probably be easier to avoid paying premium taxes in the various states and making the scheme subject to all sorts of local restrictions if the certificates that were issued were those of WDC.

Jesse Jones has been quoted as stating that the RFC is not yet in agreement with the insurance companies nor is it in disagreement. It is still working on the matter.

The possibility cannot be dismissed entirely, it seems, that the RFC may decide to operate the War Damage Corporation through the post offices. Use of the post office facilities has already been suggested.

The company steering committee on war bombardment is H. V. Smith, F. M. Culver, C. F. Shallercross, Harold Warner and F. W. Koeckert.

Interesting Agency Slant

One interesting agency slant to the war bombardment insurance program is the insistence that the companies do not fix the agent's compensation if the agents are brought in the picture. The companies suggested 3½ per cent as their service charge for handling the

details, it to go up or down according to the experience. The companies agreed to do this but would not solicit business. If there were to be no agents then the proposition was to make every company a service station for all phases of the insurance. That would furnish facilities for all sections. Property owners would go to these stations for their coverage. If however agents were to be brought in as solicitors, they might be paid 5 per cent. The agents shy at this because of the after war effect. Some leaders say the companies could point out that this bombardment insurance was handled satisfactorily at 5 per cent and hence that might be an argument for commissions in the future.

Apparently the agents or at least many of them do not want the companies to fix the commission. They say the agents want to do a patriotic service and only seek to have their actual expenses paid. Some National Association of Insurance Agents people urge that no percentage be used but instead there be a flat charge. These agents declare that the companies should assume some liability even if it be only 1 per cent. They fear the effect of any scheme that eliminates the agents entirely.

Ogden Davidson on Long Trip

Ogden Davidson, United States manager of Accident & Casualty, left New York Wednesday upon a transcontinental trip of five or six weeks. His schedule includes calls in Chicago, Omaha, Minneapolis, Seattle, San Francisco, Los Angeles, Dallas, San Antonio and New Orleans.

A. F. McCarthy, who since his appointment as agency supervisor of Accident & Casualty last October, has been operating from the head office in New York, making frequent trips to his home in Chicago, plans to move his family to the east in the fall.

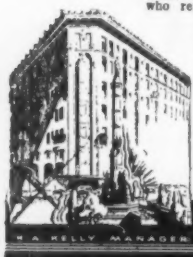
Distribute Corporate Surety Talk

The Ohio Association of Casualty & Surety Managers is distributing to each probate judge in Ohio and to numerous agencies throughout the state, copies of "Corporate Surety vs. Personal Surety," a most interesting presentation of the subject given by James M. Hengst of the Columbus bar at the convention of probate court judges of Ohio in Columbus some weeks ago.

Crafts to Home Indemnity

Putnam L. Crafts has been appointed manager of the fidelity and surety department of Home Indemnity. He was for more than 20 years with National Surety, serving in the business production division in New Jersey since 1940.

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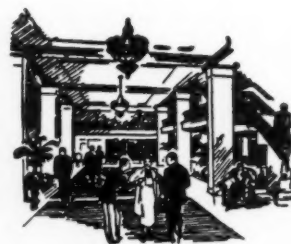
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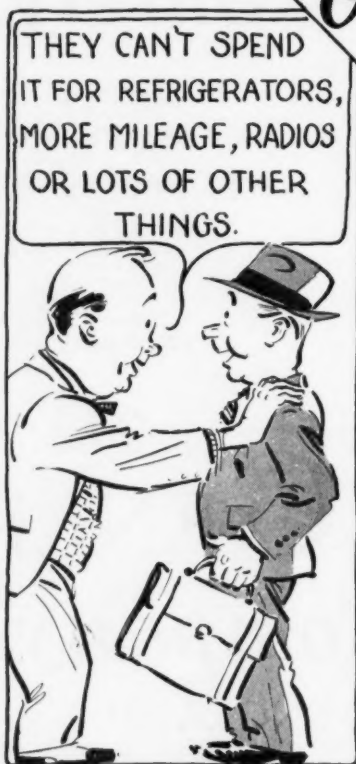
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